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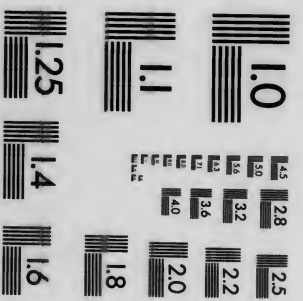
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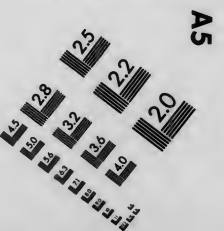
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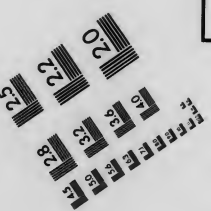
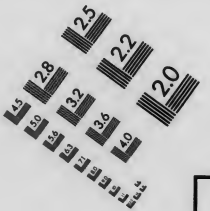
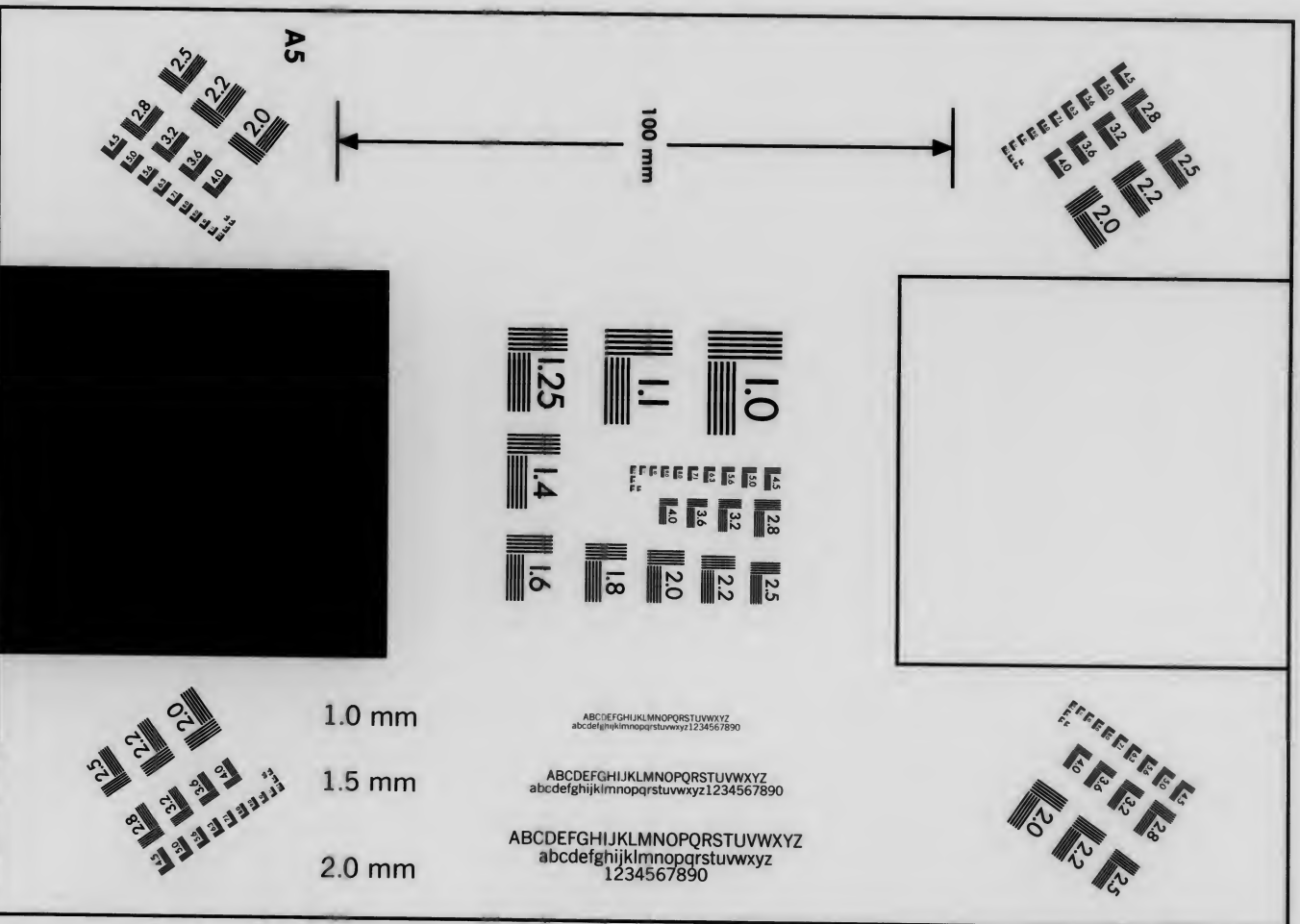
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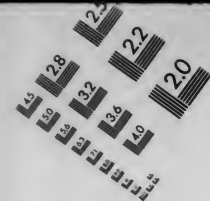
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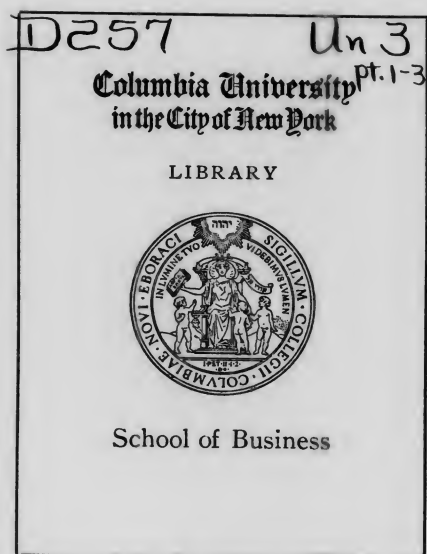
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U.S. Bureau of
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—
Mercantile Credit Survey

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Part 1-3
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MERCANTILE CREDIT SURVEY

PART I

COVERING NINE OF TWENTY-FIVE
LINES OF TRADE



DOMESTIC COMMERCE SERIES—No. 74

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FOREWORD

The Mercantile Credit Survey is the outgrowth of several conferences held during 1930 between representatives of the Department of Commerce and credit men throughout the country. It was undertaken at the request of the National Association of Credit Men and was made with the active cooperation of its 140 affiliated associations. More than 6,000 wholesale and manufacturing firms cooperated by giving data reflecting their credit policies. The purpose of the survey was to secure a fund of factual information which will serve as a background for sound credit policies on the part of wholesalers and manufacturers in their dealings with retailers.

The figures presented herein for the years 1928, 1929, and 1930 seem to indicate that, on the whole, the credit extended by wholesalers and manufacturers selling direct to retailers was on a sound basis. Yet these figures also indicate that numerous firms were probably carrying on their business without proper regard for sound principles of credit. Some of these firms had had debt losses two or three times as great as the average for firms in the same kind of business. Their collection percentages were half the average, which means that the number of days that their accounts receivable were outstanding was twice the average, and the amount of money on the books at a given time for the same volume of business was also twice the average. Their returns and allowance percentages were two or three times as great as they should have been. The profits of these concerns were literally being eaten up by the costs involved in carrying overdue accounts, in losses through uncollectible outstandings, and an unusually high percentage of returned merchandise. One of the effects of the type of management reflected in such figures is to nourish a group of inefficient retailers who are a wasteful burden on the distribution system.

The important part played by credit in distribution is indicated by the fact that of the nine kinds of wholesale and manufacturing establishments included in this report, the one with the lowest percentage of credit business had 87.9 per cent. The one with the highest percentage had 98.8 per cent. There were numerous firms with all of their business on a credit basis.

The National Association of Credit Men was represented in the conduct of this survey by Henry H. Heimann, executive manager and former president; David A. Weir, assistant executive manager; and Lawrence Whitty, former president.

The survey was made under the general direction of Dr. Frank M. Surface, Assistant Director of the Bureau of Foreign and Domestic Commerce, and H. C. Dunn, chief of the merchandising research division. Dr. W. C. Plummer, of the Wharton School of Finance and Commerce, University of Pennsylvania, who is retained by the bureau in connection with its credit researches, was responsible for the preparation of this report. H. T. LaCrosse of the merchandising research division assisted in the work. Dr. Theodore N. Beckman and Dr. Frank A. Fall gave the benefit of their advice in the formulation of the questionnaire and on various other matters.

FREDERICK M. FEIKER, *Director.*
Bureau of Foreign and Domestic Commerce.

OCTOBER, 1932.

MERCANTILE CREDIT SURVEY—PART I

INTRODUCTION

This report is based on information derived from questionnaires sent to firms selling direct to retailers and located in all sections of the country. Names and addresses of firms were supplied by the 140 associations affiliated with the National Association of Credit Men. Each association was asked to supply a list of names totaling at least twice its membership and including all the principal lines of trade.

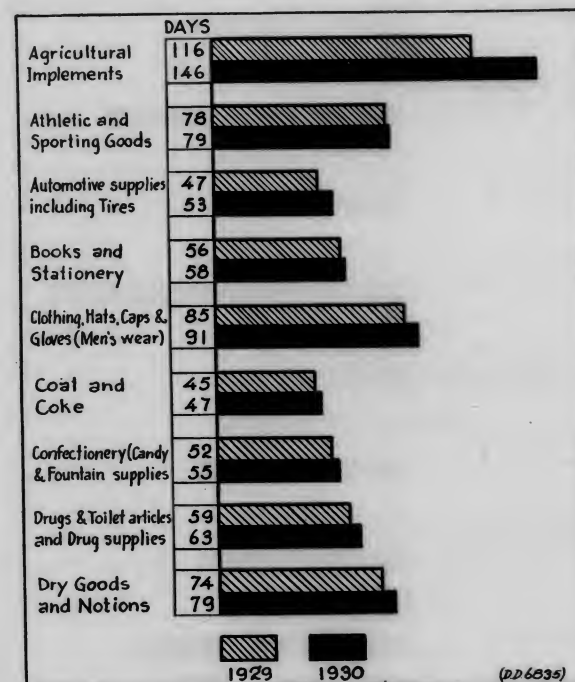


Figure 1.—Average periods that accounts are outstanding, wholesalers and manufacturers

The business houses which received the questionnaires were told, on account of the confidential nature of the information requested, that the department wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of business in each part of the country; also that the facts regarding any individual business would

not be subject to the use of any other Government department, credit association, or other agency; and that no other report made by the business house could be checked against this report.

It is planned to publish the results of the survey in three parts, Parts I and II each containing data for nine lines of trade and Part III for seven lines. Part III will also contain summary material for the 25 lines of trade.

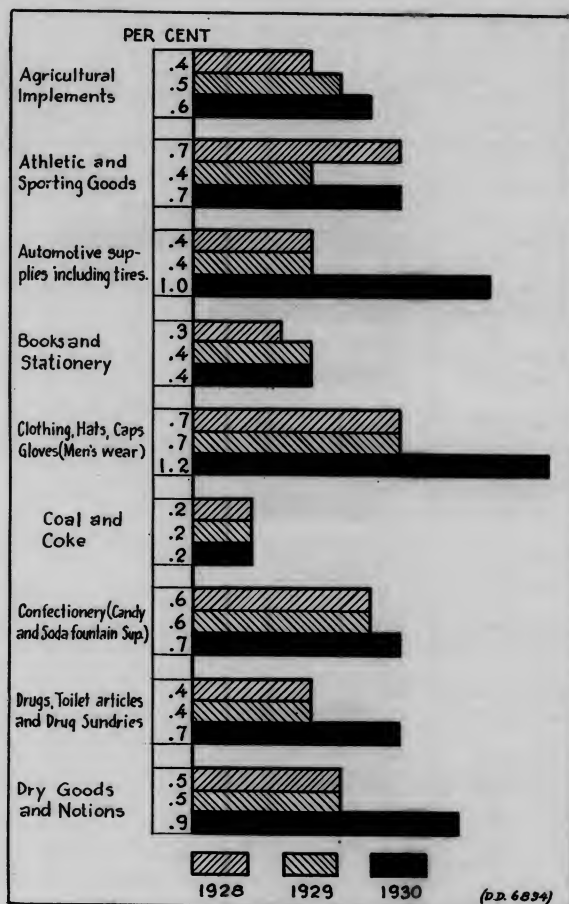


Figure 2.—Bad-debt losses of wholesalers and manufacturers

The nine kinds of establishments included in Part I of this report are: Agricultural implements; athletic and sporting goods; automotive supplies, including tires; books and stationery; clothing, hats, caps, and gloves (men's wear); coal and coke; confectionery (candy and soda fountain supplies); drugs, toilet articles, and drug sundries; and dry goods and notions.

Data upon the following subjects are given for each of the nine kinds of establishments: Extent of credit business, losses from bad debts, collection percentages, returns and allowances, credit terms, customers attempting to take unearned discounts, and customers attempting to dictate terms.

In presenting this information, averages are worked out for the various groups. Such averages are significant but do not give as much information as is sometimes desired; consequently, frequency tables are given showing the number and distribution of individual firms in the various groups. The aim has been to present the data in such form that the individual firm can compare its own experience with that of similar establishments.

The words "wholesale," "wholesaler," "wholesaling establishment," "manufacturing," "manufacturer," and "manufacturing establishment" are not used according to highly refined definitions of

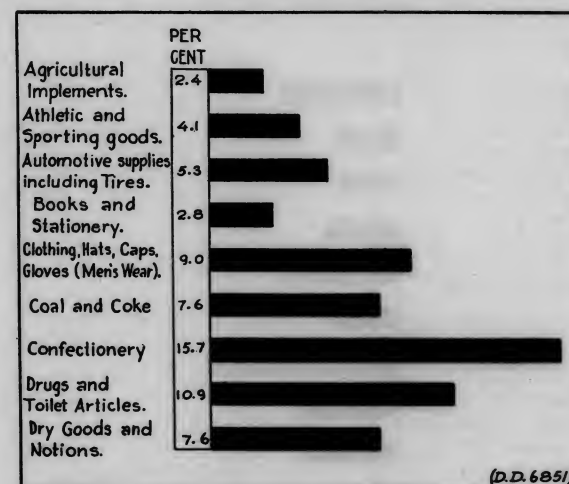


Figure 3.—Per cent of customers attempting to take unearned discounts in 1930

these terms. Each firm classified itself with respect to type and kind of business; consequently, these words are used in the way that they are commonly employed by those engaged in the various lines of business.

The questions asking the firm to classify itself were as follows:

- I. Check type of business.
 - (a) Wholesale.
 - (b) Manufacturing, selling direct to retailers.
 - (c) Commission house, selling direct to retailers.
- II. Check kind of business establishment.
 1. Agricultural implements.
 2. Athletic and sporting goods.
 3. Automotive supplies, including tires.
 4. Books and stationery.
 5. Clothing, hats, caps, and gloves (men's wear).
 6. Coal and coke.
 7. Confectionery (candy and soda fountain supplies).
 8. Drugs and toilet articles and drug sundries.

II. Check kind of business establishment—Continued.

9. Dry goods and notions.
10. Electrical and radio supplies.
11. Food products.
12. Footwear.
13. Furniture, floor coverings, and household furnishings.
14. Gasoline, lubricating oil, and greases.
15. Hardware and stoves.
16. Heating and plumbing supplies.
17. Jewelry.
18. Leather and luggage.
19. Lumber and building materials.
20. Music (musical instruments and musical merchandise).
21. Paint, oil, varnish, and wall paper.
22. Paper and paper products.
23. Rubber: Mechanical rubber goods, such as belting, hose, and packing.
24. Tobacco products.
25. Women's wear, millinery, and gloves.
26. If your establishment can not be classified under any of the above lines of trade, specify your kind of business.

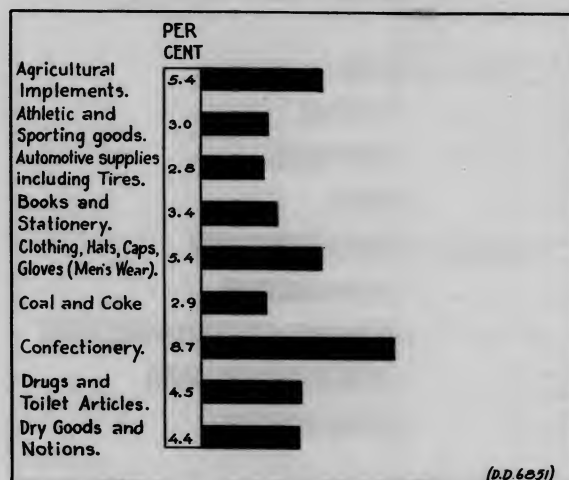


Figure 4.—Per cent of customers attempting to dictate terms in 1930

AGRICULTURAL-IMPLEMENT ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 43 agricultural-implement establishments selling direct to retailers, with total net sales in 1930 of \$40,423,000, did 93.1 per cent of total business on credit in 1928, 93.7 per cent in 1929, and 93.3 per cent in 1930. Eleven of the 43 firms did 100 per cent credit business. Six were wholesale establishments and five were manufacturing.

EXTENT OF CREDIT BUSINESS OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS, 1928-1930

Type of business	Estab-lish-ments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit in weighted averages				
					Per cent change					Per cent change	
		1928	1929	1930	1929 over 1928	1930 over 1929	1928	1929	1930	1929 over 1928	1930 over 1929
Wholesale.....	18	14,374	15,622	14,214	+8.7	-9.0	92.6	93.0	92.4	+0.4	-0.7
Manufacturing.....	21	16,554	19,935	16,840	+20.4	-15.5	90.8	92.0	91.7	+1.3	-0.3
Wholesale and manufac-turing.....	4	9,862	10,218	9,369	+3.6	-8.3	99.2	99.2	99.2	0	0
Total.....	43	40,790	45,775	40,423	+12.3	-11.7	93.1	93.7	93.3	+0.6	-0.4

LOSSES FROM BAD DEBTS

The average bad-debt loss for the agricultural-implement establishments reporting on the subject was 0.4 per cent of total net sales in 1928, 0.5 per cent in 1929, and 0.6 per cent in 1930.

In grouping the individual establishments according to the size of their bad-debt loss percentages, it was found that there were eight with bad-debt losses less than 0.2 per cent. At the other extreme were four firms with 1.5 per cent or over. The latter firms thus had credit losses more than seven times as great proportionately as the former.

BAD-DEBT LOSSES OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	17	0.4	18	0.5	18	0.6
Manufacturing.....	20	.4	20	.4	21	.6
Wholesale and manufacturing.....	4	.6	4	.5	4	.5
Total.....	41	.4	42	.5	43	.6

AGRICULTURAL-IMPLEMENT ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (annual sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	8	1	2	3	1	3	1
0.2 to 0.29 per cent.....	5	1	1	1	1	1	1
0.3 to 0.39 per cent.....	7	1	3	1	1	2	1
0.4 to 0.49 per cent.....	6	1	1	1	2	1	1
0.5 to 0.59 per cent.....	1	1	1	2	1	1	1
0.6 to 0.69 per cent.....	3	1	1	1	1	1	1
0.7 to 0.79 per cent.....	2	1	1	1	1	1	1
0.8 to 0.89 per cent.....	1	1	1	1	1	1	1
0.9 to 0.99 per cent.....	2	1	1	1	1	1	1
1 to 1.09 per cent.....	2	1	1	1	1	1	1
1.1 to 1.19 per cent.....	1	1	1	1	1	1	1
1.4 to 1.49 per cent.....	1	1	1	1	1	1	1
1.5 per cent and over.....	4	1	1	1	1	1	1
Total.....	43	4	8	13	5	9	4

COLLECTION PERCENTAGES

The average collection percentage for agricultural-implement establishments reporting on this subject was 25.8 per cent in 1929 and 20.5 per cent in 1930.

Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month; for instance, if the balance on January 1, 1930, was \$100,000 and collections during January were \$30,000, the collection percentage would be 30 per cent.

The firms which classified themselves as "wholesale" had the highest collection percentages. The wholesale establishments had 30.7 per cent in 1929 and 27.2 per cent in 1930. The wholesale and manufacturing establishments had 28.9 per cent in 1929 and 24 per cent in 1930. The manufacturing establishments had 21.1 per cent in 1929 and 15.2 per cent in 1930.

The collection percentages indicate that the average length of time the firms' dollars were tied up in accounts receivable was 116 days in 1929 and 146 days in 1930. The wholesale firms had an average of 98 days in 1929 and 110 days in 1930. The wholesale and manufacturing concerns had an average of 104 days in 1929 and 125 days in 1930. The manufacturing concerns had an average of 142 days in 1929 and 197 days in 1930.

The collection percentages of agricultural-implement establishments also indicate that the average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$317,808 in 1929 and \$400,000 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS

Classification	Estab- lish- ments	Per cent in weighted averages		Average length of time accounts outstanding in days		Accounts receiv- able outstanding at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	15	30.7	27.2	98	110	\$268,493	\$301,969
Manufacturing.....	15	21.1	15.2	142	197	389,041	539,726
Wholesale and manufacturing.....	3	28.9	24.0	104	125	284,931	342,465
Total.....	33	25.8	20.5	116	146	317,808	400,000

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Estab- lish- ments	1929	1930
Less than \$100,000.....	4	32.0	22.7
\$100,000 to \$249,999.....	6	30.3	28.7
\$250,000 to \$499,999.....	10	41.7	35.2
\$500,000 to \$999,999.....	3	30.2	28.1
\$1,000,000 to \$2,499,999.....	6	15.9	18.2
\$2,500,000 and over.....	4	28.6	22.3
Total.....	33	25.8	20.5

RETURNS AND ALLOWANCES

Returns and allowances of agricultural-implement establishments were 3.8 per cent of gross sales in 1928, 3.8 per cent of gross sales in 1929, and 4.5 per cent of gross sales in 1930.

By grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were six firms with less than 1 per cent. At the other extreme were three firms with 8 per cent or over.

RETURNS AND ALLOWANCES OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lishments	Per cent	Estab- lishments	Per cent	Estab- lishments	Per cent
Wholesale.....	17	5.5	17	5.8	18	6.3
Manufacturing.....	21	2.8	21	2.4	22	3.6
Wholesale and manufacturing.....	3	3.1	3	3.3	3	3.1
Total.....	41	3.8	41	3.8	43	4.5

AGRICULTURAL-IMPLEMENT ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 1 per cent.....	6	1	1	3	1	1	1
1 to 1.9 per cent.....	9	1	3	3	1	1	1
2 to 2.9 per cent.....	6	1	1	1	1	2	1
3 to 3.9 per cent.....	8	2	1	3	1	2	1
4 to 4.9 per cent.....	2	1	1	1	1	1	1
5 to 5.9 per cent.....	3	2	1	1	1	1	1
6 to 6.9 per cent.....	2	1	1	1	1	1	1
7 to 7.9 per cent.....	4	1	1	1	1	1	1
8 and over.....	3	1	1	1	1	1	1
Total.....	43	4	9	14	4	9	3

CREDIT TERMS

In securing data on credit terms, eight of the principal sets of terms in use among wholesalers and manufacturers selling direct to retailers were mentioned and the firm was asked to check the set of terms most commonly used. If the set of terms most commonly used by the firm was not listed, it was asked to specify its terms.

The table following shows the credit terms employed and the correlation of terms with bad-debt losses. It will be noted that 14 of the 43 firms were using terms not listed. The terms of these firms varied

greatly. However, on the whole, they allowed larger cash discounts and longer credit periods. Many of them allowed cash discounts of 5, 6, or 10 per cent if payment was made within 10 or 30 days. The credit period ranged from 30 days to 3 years.

CREDIT TERMS AND LOSSES FROM BAD DEBTS OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS IN 1930

Terms	Establishments using set of terms	Per cent of total establishments	Ratio bad debts to total sales, weighted averages
1 per cent 10 days; net 30 days.....	1	2.3	0.3
2 per cent 10 days; net 30 days.....	6	14.0	.3
2 per cent 10 days; net 60 days.....	2	4.6	.4
2 per cent tenth prox.; net 60 days.....	2	4.6	.3
All others.....	14	32.6	.9
Combination of 2 or more of the above.....	18	41.9	.6
Total.....	43	100.0	.6

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

Thirty-one agricultural-implement establishments answered the question: What proportion of your customers attempt to take unearned discounts?

The replies indicate that 2.4 per cent of customers attempt to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

Of the nine kinds of establishments included in this report, agricultural-implement houses had the lowest percentage. Book and stationery firms with 2.8 per cent had the next lowest percentage. Confectionery establishments with 15.7 per cent had the highest.

CUSTOMERS ATTEMPTING TO DICTATE TERMS

Thirty agricultural-implement establishments gave replies to the question: What proportion of your customers attempt to dictate terms?

The replies indicate that 5.4 per cent of the customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments).

Of the nine kinds of establishments included in this report, confectionery firms with 8.7 per cent had the highest percentage. Agriculture implement and men's clothing firms, each with 5.4 per cent, had the next highest figure. Automotive supply firms with 2.8 per cent had the lowest.

PER CENT OF CUSTOMERS OF AGRICULTURAL-IMPLEMENT ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take unearned discounts		Attempting to dictate terms	
	Establishments	Per cent of customers	Establishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	14	3.1	14	6.3
Manufacturing.....	14	1.7	13	5.3
Wholesale and manufacturing.....	3	2.0	3	2.0
SALES VOLUME				
Less than \$100,000.....	4	2.5	4	19.0
\$100,000 to \$249,999.....	6	3.3	6	2.3
\$250,000 to \$499,999.....	9	.6	9	6.0
\$500,000 to \$999,999.....	3	1.3	1	—
\$1,000,000 to \$2,499,999.....	6	4.7	6	2.0
\$2,500,000 and over.....	3	2.3	4	1.8
Total.....	31	2.4	30	5.4

ATHLETIC AND SPORTING GOODS ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 33 athletic and sporting goods establishments selling direct to retailers, with total net sales in 1930 of \$40,176,000, did 94.4 per cent of total business on credit in 1928, 94.5 per cent of total business on credit in 1929, and 94.4 per cent of total business on credit in 1930.

There were 8 of the 33 firms which did 100 per cent credit business. Two of them were wholesale, five were manufacturing, and one was wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF ATHLETIC AND SPORTING GOODS ESTABLISHMENTS, 1928-1930

Type of business	Estab- lish- ments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weight- ed averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent Change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	12	9,207	9,992	10,056	+8.5	+0.6	91.7	92.0	92.3	+0.7	+0.3
Manufacturing.....	15	30,658	32,499	27,823	+6.0	-14.4	95.9	95.9	96.0	.0	+1
Wholesale and manufacturing..	6	2,293	2,325	2,297	+1.4	-1.2	86.1	85.9	85.3	-.2	-.7
Total.....	33	42,158	44,816	40,176	+6.3	-10.4	94.4	94.5	94.4	+1	-.1

LOSSES FROM BAD DEBTS

The average bad-debt loss for the athletic and sporting goods establishments reporting on the subject was 0.7 per cent of net sales in 1928, 0.4 per cent in 1929, and 0.7 per cent in 1930.

The firms which classified themselves as "manufacturing" or "wholesale and manufacturing" had higher bad-debt loss percentages on the average than those which classified themselves as "wholesale." The average bad-debt loss for the wholesale establishments was 0.4 per cent in 1928, 0.4 per cent in 1929, and 0.4 per cent in 1930. The manufacturing establishments had an average of 0.8 per cent in 1928, 0.4 per cent in 1929, and 0.7 per cent in 1930. The average loss for the wholesale and manufacturing establishments was 0.6 per cent in 1928, 0.6 per cent in 1929, and 0.8 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages, it was found that there were three of them with bad-debt losses less than 0.2 per cent. At the other extreme were seven firms with 1.5 per cent or over. The latter firms thus had credit losses more than seven times as great proportionately as the former.

BAD-DEBT LOSSES OF ATHLETIC AND SPORTING GOODS ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab- lishments	1928	Estab- lishments	1929	Estab- lishments	1930
Wholesale.....	12	0.4	12	0.4	13	0.4
Manufacturing.....	14	.8	15	.4	16	.7
Wholesale and manufacturing.....	5	.6	5	.6	5	.8
Total.....	31	.7	32	.4	34	.7

ATHLETIC AND SPORTING GOODS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (annual sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	3		1		1	1	
0.2 to 0.29 per cent.....	3		1		1		
0.3 to 0.39 per cent.....	5	2	1				
0.4 to 0.49 per cent.....	6			2		3	
0.5 to 0.59 per cent.....	1			1			
0.6 to 0.69 per cent.....	3	1		2			
0.7 to 0.79 per cent.....	1						1
0.8 to 0.89 per cent.....	1		1				
0.9 to 0.99 per cent.....	2					1	1
1.3 to 1.39 per cent.....	2			1			
1.5 per cent and over.....	7	2	3	1	1		
Total.....	34	5	8	8	3	7	3

COLLECTION PERCENTAGES

The average collection percentage for confectionery establishments reporting on this subject was 38.6 per cent in 1929 and 37.9 per cent in 1930. Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month.

The average collection percentage for the wholesale establishments was 51.3 per cent in 1929 and 50.7 per cent in 1930. The manufacturing establishments had an average of 36.1 per cent in 1929 and 35.4 per cent in 1930. The wholesale and manufacturing establishments had 48.3 per cent in 1929 and 42.8 per cent in 1930.

The collection percentages of athletic and sporting goods establishments indicate that the average length of time the dollars were tied up in accounts receivable was 78 days in 1929 and 79 days in 1930. The average length of time the accounts receivable of the wholesale establishments were outstanding was 58 days in 1929 and 59 days in 1930. The average for manufacturing establishments was 83 days in 1929 and 85 days in 1930. The average for wholesale and manufacturing establishments was 62 days in 1929 and 70 days in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF ATHLETIC AND SPORTING GOODS ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lish- ments	Per cent in weighted averages		Average length of time ac- counts out- standing in days		Accounts receiv- able outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	7	51.3	50.7	58	59	\$158,904	\$161,643
Manufacturing.....	12	36.1	35.4	83	85	227,397	232,876
Wholesale and manufacturing.....	5	48.3	42.8	62	70	166,863	191,790
Total.....	24	38.6	37.9	78	79	213,666	216,438

SALES VOLUME AND COLLECTION PERCENTAGES OF ATHLETIC AND SPORTING GOODS ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lish- ments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000.....	1	48.6	31.8
\$100,000 to \$249,999.....	7	45.2	39.4
\$250,000 to \$499,999.....	4	42.5	41.0
\$500,000 to \$999,999.....	3	40.1	42.2
\$1,000,000 to \$2,499,999.....	6	56.3	53.7
\$2,500,000 and over.....	3	35.1	34.6
Total.....	24	38.6	37.9

RETURNS AND ALLOWANCES

Returns and allowances of athletic and sporting goods establishments were 2.8 per cent of gross sales in 1928, 2.5 per cent in 1929, and 3.3 per cent in 1930.

The manufacturing establishments had lower percentages on the average than either the wholesale or the wholesale and manufacturing establishments. The wholesale establishments had 4.5 per cent in 1928, 4.4 per cent in 1929, and 5.1 per cent in 1930. The manufacturing had 2.1 per cent in 1928, 1.7 per cent in 1929, and 2.4 per cent

in 1930. The wholesale and manufacturing had 5.5 per cent in 1928, 4.8 per cent in 1929, and 6 per cent in 1930.

In grouping firms according to the size of their returns and allowances percentages for 1930, it was found that there were two firms with less than 1 per cent. At the other extreme were two firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF ATHLETIC AND SPORTING GOODS ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lishments	Per cent	Estab- lishments	Per cent	Estab- lishments	Per cent
Wholesale.....	12	4.5	12	4.4	13	5.1
Manufacturing.....	15	2.1	15	1.7	16	2.4
Wholesale and manufacturing.....	6	5.5	6	4.8	6	6.0
Total.....	33	2.8	33	2.5	35	3.3

ATHLETIC AND SPORTING GOODS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 1 per cent.....	2	1	1				
1 to 1.9 per cent.....	4	1		1		1	1
2 to 2.9 per cent.....	8	1	2	3	1		
3 to 3.9 per cent.....	8		1	1	2	3	1
4 to 4.9 per cent.....	4	1		1		2	
5 to 5.9 per cent.....	2	1	1				
6 to 6.9 per cent.....	2		2				
7 to 7.9 per cent.....	1			1			
8 to 8.9 per cent.....	2			1			1
10 per cent and over.....	2		1	1			
Total.....	35	5	8	9	3	7	3

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

Twenty-one athletic and sporting goods establishments gave replies to the question: What proportion of your customers attempt to take unearned discounts?

The replies indicate that 4.1 per cent of customers attempt to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

CUSTOMERS ATTEMPTING TO DICTATE TERMS

Twenty-one athletic and sporting goods establishments gave replies to the question: What proportion of your customers attempt to dictate terms? The replies indicate that 3 per cent attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments). Of the nine kinds of houses

included in this report, confectionery firms with 8.7 per cent had the highest percentage. Automotive supply firms with 2.8 per cent had the lowest percentage.

PER CENT OF CUSTOMERS OF ATHLETIC AND SPORTING GOODS ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take un- earned discounts		Attempting to dictate terms	
	Estab- lishments	Per cent of customers	Estab- lishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	6	5.7	6	1.3
Manufacturing.....	11	3.7	11	4.3
Wholesale and manufacturing.....	4	2.8	4	2.3
SALES VOLUME				
Less than \$100,000.....	1	1.0	1	1.0
\$100,000 to \$249,999.....	6	3.7	6	7.0
\$250,000 to \$499,999.....	3	5.3	3	2.0
\$500,000 to \$999,999.....	3	1.0	3	3.7
\$1,000,000 to \$2,499,999.....	6	5.5	6	.5
\$2,500,000 and over.....	2	5.5	2	.5
Total.....	21	4.1	21	3.0

AUTOMOTIVE SUPPLY (INCLUDING TIRES) ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 234 automotive supply (including tires) establishments selling direct to retailers, with net sales in 1930 of \$236,067,000, did 94.2 per cent of total business on credit in 1928, 94.1 per cent in 1929, and 93.1 per cent in 1930.

There were 26 of the 234 firms which did 100 per cent credit business. Four of them were wholesale firms, 19 were manufacturing, and 2 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF AUTOMOTIVE SUPPLY ESTABLISHMENTS, 1928-1930

Type of business	Estab- lish- ments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	168	108,355	115,114	86,979	+6.2	-24.5	89.4	89.3	88.1	-0.1	-1.4
Manufacturing.....	50	182,240	191,616	133,465	+5.1	-30.4	97.3	97.2	96.7	-.1	-.5
All others.....	16	26,398	26,565	15,623	-.6	-41.2	93.6	93.8	91.5	+2	-2.5
Total.....	234	316,993	333,295	236,067	+5.1	-29.2	94.2	94.1	93.1	-.1	-1.1

LOSSES FROM BAD DEBTS

The average bad-debt loss for the automotive supply houses reporting on the subject was 0.4 per cent in 1928, 0.4 per cent in 1929, and 1 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages, it was found that there were 35 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 16 firms with 2.5 per cent or more. The latter firms had losses more than 12 times as great proportionately as the former.

BAD-DEBT LOSSES OF AUTOMOTIVE SUPPLY ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	164	0.4	179	0.5	185	0.8
Manufacturing.....	49	.4	54	.4	57	1.2
All others.....	16	.5	17	.3	17	.6
Total.....	229	.4	250	.4	259	1.0

AUTOMOTIVE SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	35	9	4	6	7	4	5
0.2 to 0.29 per cent.....	16	3	3	5	1	2	2
0.3 to 0.39 per cent.....	23	4	4	8	1	3	3
0.4 to 0.49 per cent.....	17	5	1	3	5	2	1
0.5 to 0.59 per cent.....	13	2	5	2	3	1	1
0.6 to 0.69 per cent.....	14	2	4	5	3	3	1
0.7 to 0.79 per cent.....	18	4	8	1	2	2	1
0.8 to 0.89 per cent.....	17	3	5	4	4	1	1
0.9 to 0.99 per cent.....	14	4	5	3	2	4	1
1 to 1.09 per cent.....	17	3	2	7	1	1	1
1.1 to 1.19 per cent.....	8	3	1	3	1	1	1
1.2 to 1.29 per cent.....	5	1	3	1	1	1	1
1.3 to 1.39 per cent.....	6	1	1	4	1	1	1
1.4 to 1.49 per cent.....	8	2	1	4	1	1	1
1.5 to 1.59 per cent.....	5	1	2	3	1	1	1
1.6 to 1.69 per cent.....	5	1	2	1	1	1	1
1.7 to 1.79 per cent.....	1	1	1	1	1	1	1
1.8 to 1.89 per cent.....	4	1	1	1	1	1	1
1.9 to 1.99 per cent.....	7	1	4	1	2	1	1
2 to 2.09 per cent.....	1	1	1	1	1	1	1
2.1 to 2.19 per cent.....	2	1	1	1	1	1	1
2.2 to 2.29 per cent.....	2	1	1	1	1	1	1
2.3 to 2.39 per cent.....	3	1	1	1	1	1	1
2.4 to 2.49 per cent.....	2	1	1	1	1	1	1
2.5 per cent and over.....	16	4	1	5	4	1	2
Total.....	259	55	59	71	33	24	17

COLLECTION PERCENTAGES

The average collection percentage for automotive supply firms was 63.2 per cent in 1929 and 56.3 per cent in 1930. Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month. The firms which classified themselves as "manufacturing" had collection percentages considerably higher than those which classified themselves as "wholesale." The manufacturing establishments had an average of 70.8 per cent in 1929 and 62.8 per cent in 1930. The whole-

sale establishments had an average of 54.4 per cent in 1929 and 49.5 per cent in 1930.

The collection percentages indicate that the average length of time the dollars of automotive supply establishments were tied up in accounts receivable was 47 days in 1929 and 53 days in 1930. The manufacturing firms had an average of 42 days in 1929 and 48 days in 1930. The wholesale firms had an average of 55 days in 1929 and 61 days in 1930.

The collection percentages also indicate that the average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$128,767 in 1929 and \$145,205 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF AUTOMOTIVE SUPPLY ESTABLISHMENTS, 1929 AND 1930

Classification	Establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	132	54.4	49.5	55	61	\$150,684	\$167,123
Manufacturing.....	27	70.8	62.8	42	48	115,068	131,506
All others.....	11	67.1	58.2	45	52	128,287	142,465
Total.....	170	63.2	56.3	47	53	128,767	145,205

SALES VOLUME AND COLLECTION PERCENTAGES OF AUTOMOTIVE SUPPLY ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lishments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000.....	26	54.9	46.8
\$100,000 to \$249,999.....	54	54.4	50.0
\$250,000 to \$499,999.....	51	49.2	43.6
\$500,000 to \$999,999.....	22	51.1	46.6
\$1,000,000 to \$2,499,999.....	19	67.9	56.5
\$2,500,000 and over.....	11	69.4	63.9
REGION			
New England.....	12	40.2	36.5
Central Atlantic.....	32	54.8	48.7
Mid-West.....	52	66.6	58.7
Southeast.....	6	57.7	57.6
Gulf Southwest.....	22	62.3	57.2
West Midcontinent.....	8	58.0	49.6
Central Northwest.....	6	74.3	70.9
Pacific Northwest.....	6	59.6	57.7
Pacific Southwest.....	26	74.2	65.9
Total.....	170	63.2	56.3

RETURNS AND ALLOWANCES

Returns and allowances of automotive supply establishments were 4.5 per cent of gross sales in 1928, 4.3 per cent in 1929, and 5.1 per cent in 1930.

The returns and allowance percentages varied considerably among the various geographical regions. The Southeast had the lowest aver-

age and the Central Atlantic had the highest for all three years. In 1928 the range was from 1.5 per cent for the Southeast to 7.1 per cent for the Central Atlantic States. In 1929 the range was from 1.2 per cent to 7.6 per cent. In 1930 the range was 1.2 per cent to 8.6 per cent.

By grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 53 firms with less than 1 per cent. At the other extreme were 13 firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF AUTOMOTIVE SUPPLY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lishments	Per cent	Estab- lishments	Per cent	Estab- lishments	Per cent
Wholesale.....	167	4.0	179	4.2	185	4.5
Manufacturing.....	50	4.7	55	4.5	58	5.6
All others.....	16	5.6	17	3.6	17	4.6
Total.....	233	4.5	251	4.3	260	5.1

AUTOMOTIVE SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 1 per cent.....	53	19	9	9	6	5	5
1 to 1.9 per cent.....	34	13	9	5	4	2	1
2 to 2.9 per cent.....	21	8	4	5	1	1	2
3 to 3.9 per cent.....	26	4	10	6	2	1	3
4 to 4.9 per cent.....	24	3	9	8	3	1	1
5 to 5.9 per cent.....	18	3	3	5	5	2	1
6 to 6.9 per cent.....	26	4	3	12	4	2	1
7 to 7.9 per cent.....	28	1	8	12	1	4	2
8 to 8.9 per cent.....	10	1	1	4	2	2	1
9 to 9.9 per cent.....	7	1	3	2	1	3	1
10 per cent and over.....	13	1	3	2	5	1	2
Total.....	260	55	59	71	34	24	17

CREDIT TERMS

The set of credit terms found most frequently among automotive supply houses was "2 per cent tenth prox.; net 30 days." One hundred and twenty-three, or 47.7 per cent, of the total of firms reporting on the subject used this set of credit terms.

The average bad-debt loss of this group for 1930 was 1.1 per cent of net sales.

The average collection percentage for the group using "2 per cent tenth prox.; net 30 days" was 58.5 per cent in 1929 and 51.7 per cent in 1930.

Of the 20 firms using terms not listed on the questionnaire, 6 of them stated that they most commonly sold on trade acceptance and 3

stated their sales were on a deferred-payment or installment basis, making a total of 9 most commonly using some form of credit instrument in their transactions. This fact is of interest at the present time in view of the recent agitation for a wider use of trade acceptances.

CREDIT TERMS AND LOSSES FROM BAD DEBTS OF AUTOMOTIVE SUPPLY ESTABLISHMENTS IN 1930

Terms	Estab- lishments using terms	Per cent of total estab- lishments	Ratio bad debts to total sales —weighted averages
No cash discount; net 30 days.....	21	8.1	0.6
1 per cent 10 days; net 30 days.....	5	1.9	.7
2 per cent 10 days; net 30 days.....	39	15.1	.7
2 per cent 10 days; net 60 days.....	2	.8	.7
2 per cent tenth prox.; net 30 days.....	123	47.7	1.1
2 per cent tenth prox.; net 60 days.....	2	.8	1.2
All others.....	20	7.8	1.6
Combination of 2 or more of the above.....	46	17.8	.8
Total.....	258	100.0	1.0

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

One hundred and thirty-eight automotive supply establishments gave replies to the question: What proportion of your customers attempt to take unearned discounts? The replies indicate that 5.2 per cent of customers attempt to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

CUSTOMERS ATTEMPTING TO DICTATE TERMS

One hundred and forty-four automotive supply houses gave answers to the question: What proportion of your customers attempt to dictate terms? The replies indicate that 2.8 per cent of customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments).

PER CENT OF CUSTOMERS OF AUTOMOTIVE SUPPLY ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take un- earned discounts		Attempting to dictate terms	
	Estab- lish- ments	Per cent of customers	Estab- lish- ments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	109	5.0	109	2.9
Manufacturing.....	20	6.1	24	3.0
All other.....	9	6.7	11	1.8
SALES VOLUME				
Less than \$100,000.....	17	2.4	20	1.6
\$100,000 to \$249,999.....	34	5.9	35	4.4
\$250,000 to \$499,999.....	44	6.9	44	3.5
\$500,000 to \$999,999.....	18	4.6	17	1.2
\$1,000,000 to \$2,499,999.....	16	4.6	17	1.8
\$2,500,000 and over.....	9	2.6	11	1.5
Total.....	138	5.2	144	2.8

BOOK AND STATIONERY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 67 book and stationery establishments selling direct to retailers, with total net sales in 1930 of \$51,977,000, did 87.9 per cent of total business on credit in 1928, 88.1 per cent of total business on credit in 1929, and 87.9 per cent of total business on credit in 1930.

There were 16 of the 67 firms which did 100 per cent credit business. Two of them were wholesale firms and 14 were manufacturing.

EXTENT OF CREDIT BUSINESS OF BOOK AND STATIONERY ESTABLISHMENTS, 1928-1930

Type of business	Estab- lish- ments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	28	26,092	27,318	25,598	+4.7	-6.4	75.3	75.5	74.8	+0.3	-0.9
Manufacturing.....	34	24,657	25,838	24,076	+4.8	-6.8	99.2	99.3	99.2	+0.1	-0.1
Wholesale and manufacturing.....	5	2,408	2,463	2,353	+2.3	-5.3	98.2	98.3	98.4	+0.1	+0.1
Total.....	67	53,157	55,619	51,977	+4.6	-6.6	87.9	88.1	87.9	+0.2	-0.2

LOSSES FROM BAD DEBTS

The average bad-debt loss for the book and stationery establishments was 0.3 per cent of net sales in 1928, 0.4 per cent of net sales in 1929, and 0.4 per cent of net sales in 1930.

In correlating sales volume with losses from bad debts, it was found that the smallest size group, that with annual sales less than \$100,000, had the highest bad-debt loss percentage. The average for this group was 1 per cent in 1928, 1.1 per cent in 1929, and 1.1 per cent in 1930. The next smallest size group, that with annual sales from \$100,000 to \$249,999, had the next highest bad-debt loss percentage. The average for this group was 0.8 per cent in 1928, 0.7 per cent in 1929, and 0.8 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages, it was found that there were 15 of them with bad-debt losses less than 0.2 per cent. At the other extreme were six firms with 1.5 per cent or over.

BAD-DEBT LOSSES OF BOOK AND STATIONERY ESTABLISHMENTS, 1928-1930

Type of business	Estab- lish- ments	Ratio of bad debts to total sales—weighted averages				
		1928	1929	1930	1928	1929
Wholesale.....	28	0.3	0.3	0.3	29	29
Manufacturing.....	34	.4	.5	.5	38	38
Wholesale and manufacturing.....	5	.3	.2	.3	5	5
Total.....	67	.3	.4	.4	72	72

BOOK AND STATIONERY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	15	1	3	2	7	1	2
0.2 to 0.29 per cent.....	9	1	1	3	4	1	1
0.3 to 0.39 per cent.....	8	1	2	1	1	2	1
0.4 to 0.49 per cent.....	9	1	1	4	1	2	2
0.5 to 0.59 per cent.....	1	1	3	1	1	1	1
0.6 to 0.69 per cent.....	8	2	3	2	2	1	1
0.7 to 0.79 per cent.....	7	3	1	1	2	1	1
0.8 to 0.89 per cent.....	1	1	1	1	1	1	1
0.9 to 0.99 per cent.....	1	1	1	1	1	1	1
1 to 1.09 per cent.....	3	1	1	1	1	1	1
1.1 to 1.19 per cent.....	2	1	1	1	1	1	1
1.2 to 1.29 per cent.....	2	1	1	1	1	1	1
1.3 to 1.39 per cent.....	1	1	1	1	1	1	1
1.4 to 1.49 per cent.....	1	1	1	1	1	1	1
1.5 per cent and over.....	6	3	2	1	1	1	1
Total.....	72	9	15	17	18	7	6

COLLECTION PERCENTAGES

The average collection percentage for book and stationery establishments was 53.4 per cent in 1929 and 51.9 per cent in 1930.

Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month. The collection percentages of book and stationery establishments indicate that the average length of time the dollars were tied up in accounts receivable was 56 days in 1929 and 58 days in 1930.

The collection percentages also indicate that the average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$153,424 in 1929 and \$158,904 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF BOOK AND STATIONERY ESTABLISHMENTS, 1929 AND 1930

Classification	Num- ber of estab- lish- ments	Per cent in weighted aver- ages		Average length of time accounts outstanding, in days		Accounts receivable outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	26	51.7	50.7	58	59	\$158,904	\$161,643
Manufacturing.....	26	56.6	54.9	53	55	145,205	150,684
Wholesale and manufacturing.....	4	51.4	48.1	58	62	158,904	169,863
Total.....	56	53.4	51.9	56	58	153,424	158,904

SALES VOLUME AND COLLECTION PERCENTAGES OF BOOK AND STATIONERY ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000.....	5	46.8	43.5
\$100,000 to \$249,999.....	12	47.7	45.4
\$250,000 to \$499,999.....	13	54.8	51.6
\$500,000 to \$999,999.....	16	51.3	49.2
\$1,000,000 to \$2,499,999.....	6	52.4	54.4
\$2,500,000 and over.....	4	56.0	53.8
Total.....	56	53.4	51.9

RETURNS AND ALLOWANCES

Returns and allowances of book and stationery establishments were 7.8 per cent of gross sales in 1928, 7.7 per cent in 1929, and 9.5 per cent in 1930.

The manufacturing establishments had much higher returns and allowance percentages than either the wholesale or the wholesale and manufacturing establishments. The manufacturing establishments had 12.3 per cent in 1928, 11.2 per cent in 1929, and 9.5 per cent in 1930. The wholesale firms had 3.8 per cent in 1928, 3.7 per cent in 1929, and 3.7 per cent in 1930. The wholesale and manufacturing firms had 1.1 per cent in 1928, 1.3 per cent in 1929, and 1.4 per cent in 1930.

In grouping firms according to the volume of their annual sales, it was found that the largest size group, that with annual sales of \$2,500,000 and over, had much higher returns and allowances percentages than any other size group. It had an average of 13.9 per cent in 1928, 12.9 per cent in 1929, and 15.9 per cent in 1930.

In grouping the individual firms according to the size of their returns and allowance percentages, it is found that there were 21 firms with less than 1 per cent. At the other extreme there were four firms with 10 per cent or more.

RETURNS AND ALLOWANCES OF BOOK AND STATIONERY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lishments	Per cent	Estab-lishments	Per cent	Estab-lishments	Per cent
Wholesale.....	28	3.8	29	3.7	29	3.7
Manufacturing.....	34	12.3	38	11.2	38	14.3
Wholesale and manufacturing.....	5	1.1	5	1.3	5	1.4
Total.....	67	7.8	72	7.7	72	9.5

BOOK AND STATIONERY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 1 per cent.....	21	7	4	4	5	1	2
1 to 1.9 per cent.....	15	5	5	5	2	1	2
2 to 2.9 per cent.....	16	1	4	5	3	1	2
3 to 3.9 per cent.....	6	1	1	1	3	1	1
4 to 4.9 per cent.....	5	1	1	1	2	1	1
5 to 5.9 per cent.....	1	1	1	1	3	1	1
6 to 6.9 per cent.....	3	1	1	1	1	1	1
7 to 7.9 per cent.....	1	1	1	1	1	1	1
8 to 8.9 per cent.....	4	1	1	1	1	1	1
9 to 9.9 per cent.....	1	1	1	1	1	1	1
10 per cent and over.....	4	1	1	1	1	1	1
Total.....	72	9	14	18	18	7	6

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

Thirty-eight book and stationery establishments answered the question: What proportion of your customers attempt to take unearned discounts? The replies indicate that 2.7 per cent of customers attempt to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

Of the nine kinds of establishments included in this report, book and stationery firms had the next lowest percentage. Agricultural implement firms with 2.4 per cent had the lowest percentage. Confectionery establishments with 15.7 per cent had the highest.

CUSTOMERS ATTEMPTING TO DICTATE TERMS

Forty-nine book and stationery establishments gave replies to the question: What proportion of your customers attempt to dictate terms? The replies indicate that 3.4 per cent of customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments).

PER CENT OF CUSTOMERS OF BOOK AND STATIONERY ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS, 1930

Classification	Attempting to take unearned discounts		Attempting to dictate terms	
	Establishments	Per cent of customers	Establishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	18	2.8	22	4.0
Manufacturing.....	18	2.7	25	3.2
Wholesale and manufacturing.....	2	.5	2	.5
SALES VOLUME				
Less than \$100,000.....	4	5.5	5	5.4
\$100,000 to \$249,999.....	5	1.4	9	6.7
\$250,000 to \$499,999.....	10	2.7	12	2.2
\$500,000 to \$999,999.....	10	2.5	14	2.2
\$1,000,000 to \$2,499,999.....	5	2.6	5	.6
\$2,500,000 and over.....	4	1.8	4	5.5
Total.....	38	2.7	49	3.4

MEN'S CLOTHING ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 239 men's clothing establishments, including those selling clothing, hats, caps, and gloves, with total net sales in 1930 of \$223,348,000, did 98.8 of total business on credit in 1928, 98.8 per cent on credit in 1929, and 98.8 per cent on credit in 1930.

Of the nine kinds of establishments included in this report, men's clothing establishments did the largest percentage of business on credit. There were 99 of the 239 firms which did 100 per cent credit business. Thirteen of them were wholesale, 74 were manufacturing, and 12 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF MEN'S CLOTHING ESTABLISHMENTS, 1928-1930

Type of business	Estab- lish- ments	Total net sales, in thousands of dollars			Per cent change		Per cent of total gross sales on credit, in weighted averages			Per cent change	
		1928	1929	1930	1929 over 1928	1930 over 1929	1928	1929	1930	1929 over 1928	1930 over 1929
Wholesale.....	38	24,938	23,065	18,605	-7.4	-19.4	98.2	98.4	98.3	+0.2	-0.1
Manufacturing.....	171	215,720	225,920	179,448	+4.7	-20.6	98.7	98.7	98.8	0	+0.1
Wholesale and manufacturing....	30	33,940	33,518	25,295	-1.3	-24.5	99.5	99.5	99.5	0	0
Total.....	239	274,598	282,523	223,348	+2.9	-21.0	98.8	98.8	98.8	0	0

BAD-DEBT LOSSES

The average bad-debt loss for men's clothing establishments was 0.7 per cent of total sales in 1928, 0.7 per cent in 1929, and 1.2 per cent in 1930.

In correlating sales volume with bad-debt losses, it is found that there was a tendency for bad-debt loss percentages to decrease as the size of the business increased; that is, the larger the volume of sales the smaller were the bad-debt loss percentages. The range was from a bad-debt loss of 3 per cent for the smallest size group, annual sales less than \$100,000, (31 firms represented) to 0.8 per cent for the next largest size group, annual sales \$1,000,000 to \$2,499,999 (35 firms represented).

In grouping the individual firms according to the size of their bad-debt loss percentages, it was found that there were 44 of them with bad-debt losses less than 0.5 per cent. At the other extreme were 17 firms with the very high figure of 5 per cent or over.

BAD-DEBT LOSSES OF MEN'S CLOTHING ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	38	0.9	41	0.9	43	1.5
Manufacturing.....	167	.6	174	.7	178	1.0
Wholesale and manufacturing.....	30	.7	31	.6	31	1.7
Total.....	235	.7	246	.7	252	1.2

MEN'S CLOTHING ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.5 per cent.....	44	9	9	8	4	12	2
0.5 to 0.99 per cent.....	61	5	10	13	15	11	7
1 to 1.49 per cent.....	40	2	12	9	6	8	3
1.5 to 1.99 per cent.....	35	5	7	7	9	4	3
2 to 2.49 per cent.....	15	—	6	2	7	—	—
2.5 to 2.99 per cent.....	15	3	4	3	2	1	2
3 to 3.49 per cent.....	13	4	5	2	1	—	1
3.5 to 3.99 per cent.....	5	—	4	—	—	—	—
4 to 4.49 per cent.....	6	2	—	4	—	—	—
4.5 to 4.99 per cent.....	1	—	1	—	—	—	—
5 per cent and over.....	17	6	6	5	—	—	—
Total.....	252	36	61	53	45	36	18

COLLECTION PERCENTAGES

The average collection percentage for men's clothing establishments was 35.2 per cent in 1929 and 33.1 per cent in 1930.

Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month. The wholesale firms had an average of 33.9 per cent in 1929 and 35.2 per cent in 1930. The manufacturing concerns had an average of 35 per cent in 1929 and 32.4 per cent in 1930. The wholesale and manufacturing had an average of 38.2 per cent in 1929 and 36.6 per cent in 1930.

The collection percentages indicate that the average length of time the dollars of men's clothing establishments were tied up in accounts receivable was 85 days in 1929 and 91 days in 1930. The wholesale firms had an average of 88 days in 1929 and 85 days in 1930. The manufacturing firms had an average of 86 days in 1929 and 93 days in 1930. The wholesale and manufacturing firms had an average of 79 days in 1929 and 82 days in 1930.

The collection percentages also indicate that the average amount outstanding at a given time per \$1,000,000 of net credit sales was \$232,876 in 1929 and \$249,315 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF MEN'S CLOTHING ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding in days		Accounts receivable outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	35	33.9	35.2	88	85	\$241,095	\$232,876
Manufacturing.....	134	35.0	32.4	86	93	235,616	224,794
Wholesale and manufacturing.....	22	38.2	36.6	79	82	216,438	224,657
Total.....	191	35.2	33.1	85	91	232,876	249,315

SALES VOLUME AND COLLECTION PERCENTAGES OF MEN'S CLOTHING ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000.....	20	33.3	29.7
\$100,000 to \$249,999.....	51	39.6	36.1
\$250,000 to \$499,999.....	40	38.2	36.4
\$500,000 to \$999,999.....	34	38.9	36.7
\$1,000,000 to \$2,499,999.....	32	44.8	43.6
\$2,500,000 and over.....	14	30.0	27.3
REGION			
New England.....	12	43.7	42.1
Central Atlantic.....	59	39.0	38.4
Midwest.....	48	30.4	27.4
Southeast.....	4	45.1	43.8
Gulf Southwest.....	25	30.2	27.6
West Midcontinent.....	5	53.7	58.4
Central Northwest.....	7	39.4	39.0
Pacific Northwest.....	8	42.1	37.2
Pacific Southwest.....	23	41.8	39.9
Total.....	191	35.2	33.1

RETURNS AND ALLOWANCES

Returns and allowances of men's clothing establishments were 5.3 per cent of gross sales in 1928, 5.3 per cent of gross sales in 1929, and 5.8 per cent of gross sales in 1930.

Of the nine kinds of establishments included in this report, the returns and allowance percentages of men's clothing establishments were next to the highest. Book and stationery establishments with 7.8 per cent in 1928, 7.7 per cent in 1929, and 9.5 per cent in 1930 had the highest percentages. Coal and coke establishments with 0.2 per cent for all three years had the lowest percentage.

By grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 38 firms with less than 2 per cent. At the other extreme were 11 firms with 14 per cent or over.

RETURNS AND ALLOWANCES OF MEN'S CLOTHING ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lishments	Per cent	Estab-lishments	Per cent	Estab-lishments	Per cent
Wholesale.....	38	4.2	41	4.4	43	4.8
Manufacturing.....	170	5.6	176	5.5	180	6.1
Wholesale and manufacturing.....	29	4.2	30	4.3	30	4.4
Total.....	237	5.3	247	5.3	253	5.8

MEN'S WEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 2 per cent.....	38	14	10	5	2	5	2
2 to 3.9 per cent.....	53	5	16	14	8	8	2
4 to 5.9 per cent.....	76	7	15	18	20	11	5
6 to 7.9 per cent.....	33	6	7	4	5	7	4
8 to 9.9 per cent.....	19	1	5	4	5	4	1
10 to 11.9 per cent.....	12	2	1	3	2	1	3
12 to 13.9 per cent.....	11	1	5	2	3	1	1
14 per cent and over.....	11	1	6	3	1	1	1
Total.....	253	36	65	53	46	36	17

CREDIT TERMS

In securing data on credit terms, eight of the principal sets of terms in use among wholesalers and manufacturers selling direct to retailers were mentioned, and the firm was asked to check the set of terms most commonly used. If the set of terms most commonly used by the firm was not listed, it was asked to specify its terms.

The following table shows the credit terms employed; also the correlation of terms with bad-debt losses and with collection percentages.

CREDIT TERMS AND BAD-DEBT LOSSES OF MEN'S CLOTHING ESTABLISHMENTS IN 1930

Set of terms	Estab-lishments using set of terms	Per cent of total establishments	Ratio bad debts to total sales—weighted averages
No cash discount; net 30 days.....	14	5.6	0.8
No cash discount; net 60 days.....	5	2.0	.8
1 per cent 10 days; net 30 days.....	12	4.8	1.6
1 per cent 10 days; net 60 days.....	4	1.6	.7
2 per cent 10 days; net 30 days.....	36	14.3	.7
2 per cent 10 days; net 60 days.....	27	10.7	1.9
2 per cent tenth prox.; net 30 days.....	5	2.0	1.2
2 per cent tenth prox.; net 60 days.....	4	1.6	1.5
All others.....	90	35.6	1.5
Combination of 2 or more of the above.....	55	21.8	.9
Total.....	252	100.0	1.2

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

One hundred and sixty-one men's clothing establishments gave replies to the question: What proportion of your customers attempt to take unearned discounts? The replies indicate that 9 per cent of customers attempt to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

The practice of attempting to dictate terms was most prevalent among the wholesale establishments (26 firms reporting), which had an average of 12.9 per cent. The manufacturing concerns (116 firms reporting) had an average of 8.8 per cent. The wholesale and manufacturing concerns (19 reporting) had an average of 4.4 per cent.

CUSTOMERS ATTEMPTING TO DICTATE TERMS

One hundred and sixty-five men's clothing establishments replied to the question: What proportion of your customers attempt to dictate terms? The replies indicate that 5.4 per cent of customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments).

The percentage of customers attempting to dictate terms to wholesalers (26 firms reporting) was 6.3 per cent, to manufacturers (119 firms reporting) was 5.6 per cent, to wholesalers and manufacturers (20 firms reporting) was 3 per cent.

In grouping firms according to the volume of their annual sales, it was found that the practice was most common with the concerns with annual sales from \$250,000 to \$499,999. It was least common with the group with annual sales of \$2,500,000 and over. The average for the former group (35 concerns represented) was 8.9 per cent. The average for the latter group (14 concerns represented) was 1.8 per cent.

PER CENT OF CUSTOMERS OF MEN'S CLOTHING ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take unearned discounts		Attempting to dictate terms	
	Establishments	Per cent of customers	Establishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	26	12.9	26	6.3
Manufacturing.....	116	8.8	119	5.6
Wholesale and manufacturing.....	19	4.4	20	3.0
SALES VOLUME				
Less than \$100,000.....	19	13.5	15	4.1
\$100,000 to \$249,999.....	40	8.2	42	5.4
\$250,000 to \$499,999.....	34	9.4	35	8.9
\$500,000 to \$999,999.....	29	13.4	31	6.7
\$1,000,000 to \$2,499,999.....	26	3.7	28	2.1
\$2,500,000 and over.....	13	4.2	14	1.8
Total.....	161	9.0	165	5.4

COAL AND COKE ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 85 coal and coke establishments selling direct to retailers, with total net sales in 1930 of \$153,634,000, did 96.5 per cent of total business on credit in 1928, 96.9 per cent of total business on credit in 1929, and 96.4 per cent of total business on credit in 1930.

There were 47 of the 85 firms which did 100 per cent credit business. Thirty-eight of them were wholesale, three were manufacturing, and six were other kinds of establishments.

EXTENT OF CREDIT BUSINESS OF COAL AND COKE ESTABLISHMENTS, 1928-1930

Type of business	Establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change 1929 over 1928 1930 over 1929	1928	1929	1930	Per cent change	
									1929 over 1928	1930 over 1929
Wholesale.....	68	126,542	136,429	116,103	+7.8 -14.9	96.1	96.6	96.0	+0.5	-0.6
All others.....	17	33,728	40,576	37,531	+20.3 -7.5	98.1	98.3	97.9	+2	-4
Total.....	85	160,270	177,005	153,634	+10.4 -13.2	96.5	96.9	96.4	+4	-5

LOSSES FROM BAD DEBTS

The average bad-debt loss for coal and coke establishments was 0.2 per cent for the years 1928, 1929, and 1930.

Of the nine kinds of establishments included in this report, coal and coke firms had the lowest bad-debt losses. Men's clothing and athletic and sporting goods firms, each with 0.7 per cent, had the highest percentage in 1928. Men's clothing firms, with 0.7 per cent in 1929 and 1.2 per cent in 1930, had the highest percentages for those years.

In grouping firms according to the size of their bad-debt loss percentages, it was found that there were 40 firms with percentages less than 0.2 per cent. At the other extreme were two firms with 2 per cent or more.

BAD-DEBT LOSSES OF COAL AND COKE ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	67	0.2	69	0.2	71	0.2
All others.....	17	.2	17	.2	17	.2
Total.....	84	.2	86	.2	88	.2

COAL AND COKE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (annual sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.	40	1	3	4	8	13	11
0.2 to 0.29 per cent.	12		1	1			4
0.3 to 0.39 per cent.	11	2	1	1	4	3	
0.4 to 0.49 per cent.	6		1	1	1	1	2
0.5 to 0.59 per cent.	1			1			
0.6 to 0.69 per cent.	2					1	1
0.7 to 0.79 per cent.	3			1	2		
0.8 to 0.89 per cent.	5		1	1	1	2	
0.9 to 0.99 per cent.	1						
1.1 to 1.19 per cent.	3		1	1	1		
1.2 to 1.29 per cent.	1				1		
1.4 to 1.49 per cent.	1				1		
1.5 per cent and over	2		1	1			
Total	88	3	10	12	19	26	18

COLLECTION PERCENTAGES

The average collection percentage for coal and coke establishments was 67.3 per cent in 1929 and 63.8 per cent in 1930. Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month. The collection percentages indicate that the average length of time the dollars of the coal and coke establishments were tied up in accounts receivable was 45 days in 1929 and 47 days in 1930.

The collection percentages also indicate that the average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$123,287 in 1929 and \$128,767 in 1930.

In grouping individual firms according to the size of their collection percentages, it was found that there were two firms with collection percentages less than 30 per cent. At the other extreme there were three firms with 80 per cent or over.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF COAL AND COKE ESTABLISHMENTS, 1929 AND 1930

Classification	Estab-lishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale	47	67.0	64.1	45	47	\$123,287	\$128,767
All others	12	68.9	62.8	44	48	120,547	131,506
Total	59	67.3	63.8	45	47	123,287	128,767

SALES VOLUME AND COLLECTION PERCENTAGES OF COAL AND COKE ESTABLISHMENTS, 1929 AND 1930

Classification	Estab-lish-ments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000.....	1	44.1	51.6
\$100,000 to \$249,999.....	6	49.5	46.1
\$250,000 to \$499,999.....	9	54.9	50.1
\$500,000 to \$999,999.....	7	60.0	52.4
\$1,000,000 to \$2,499,999.....	23	63.0	61.2
\$2,500,000 and over.....	13	71.3	67.1
REGION			
New England.....	4	55.3	53.6
Central Atlantic.....	8	70.6	62.2
Midwest.....	30	69.1	65.2
Gulf Southwest.....	1	59.7	54.6
West Midcontinent.....	2	73.2	71.6
Central Northwest.....	9	67.8	65.6
Pacific Southwest.....	5	51.9	49.6
Total.....	59	67.3	63.8

RETURNS AND ALLOWANCES

Returns and allowances of coal and coke establishments were 0.2 per cent of gross sales for the years 1928, 1929, and 1930.

Of the nine kinds of establishments included in this report, the returns and allowance percentages of coal and coke establishments were the lowest for the years covered. Book and stationary establishments, with 7.8 per cent in 1928, 7.7 per cent in 1929, and 9.5 per cent in 1930, had the highest percentages.

Grouping the individual firms according to the size of their returns and allowance percentages, it was found that there were 59 of them with less than 0.2 per cent. At the other extreme there were seven with 1.5 per cent or over.

RETURNS AND ALLOWANCES OF COAL AND COKE ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lishments	Per cent	Estab-lishments	Per cent	Estab-lishments	Per cent
Wholesale	68	0.2	70	0.2	72	0.2
All others	17	.1	17	.1	17	.1
Total	85	.2	87	.2	89	.2

COAL AND COKE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	59	1	6	5	9	22	16
0.2 to 0.29 per cent.....	2			1		1	
0.3 to 0.39 per cent.....	2				1	1	
0.4 to 0.49 per cent.....	7		2		2	2	
0.5 to 0.59 per cent.....	3			1	2		1
0.6 to 0.69 per cent.....	2				2		
0.9 to 0.99 per cent.....	1			1			
1.0 to 1.09 per cent.....	3		1		2		
1.1 to 1.19 per cent.....	2				2		
1.4 to 1.49 per cent.....	1				1		
1.5 per cent and over.....	7	2	2	2			1
Total.....	89	3	11	12	19	26	18

CREDIT TERMS

Of the 87 coal and coke establishments reporting on the subject of credit terms, 57, or 65.6 per cent, used most commonly "no cash discount; net 30 days." The group using this set of terms had a lower bad-debt loss percentage and a higher collection percentage than those for all the firms reporting. This group had an average bad-debt loss in 1930 of 0.1 per cent in contrast with 0.2 for all the firms reporting. The group had an average collection percentage of 69 per cent in 1929 and 65.5 per cent in 1930 in contrast with 67.2 per cent and 63.6 per cent for all the firms reporting.

CREDIT TERMS AND BAD-DEBT LOSSES OF COAL AND COKE ESTABLISHMENTS IN 1930

Terms	Estab-lishments using terms	Per cent of total estab-lishments	Ratio bad debts to total sales—weighted averages
No cash discount; net 30 days.....	57	65.6	0.1
No cash discount; net 60 days.....	1	1.1	.3
2 per cent 10 days; net 30 days.....	1	1.1	.3
All others.....	20	23.0	.3
Combination of 2 or more of the above.....	8	9.2	.3
Total.....	87	100.0	.2

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

In view of the fact that the set of credit terms most frequently used by coal and coke establishments was "no cash discount; net 30 days," the problem of customers attempting to take unearned discounts was not a great one. However, seven firms reported on the subject. The average attempting to take unearned discounts of these seven firms was 7.6 per cent (simple average of percentages—sum of percentages divided by number of establishments).

CUSTOMERS ATTEMPTING TO DICTATE TERMS

Forty-six coal and coke establishments gave replies to the question, What proportion of your customers attempt to dictate terms? The replies indicate that 2.9 per cent of customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments). There was one firm which reported that 20 per cent of its customers attempted to dictate terms.

PER CENT OF CUSTOMERS OF COAL AND COKE ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take un-earned discounts		Attempting to dictate terms	
	Estab-lishments	Per cent of customers	Estab-lishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	6	8.8	37	2.9
Manufacturing.....	1	.0	9	2.5
SALES VOLUME				
Less than \$100,000.....	1	1.0	1	.0
\$100,000 to \$249,999.....	2	25.0	5	10.0
\$250,000 to \$499,999.....	1	.0	8	.0
\$500,000 to \$999,999.....			4	1.5
\$1,000,000 to \$2,499,999.....	2	.0	17	2.9
\$2,500,000 and over.....	1	2.0	11	2.5
Total.....	7	7.6	46	2.9

CONFECTIONERY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 225 confectionery (candy and soda-fountain supplies) establishments selling direct to retailers, with total net sales in 1930 of \$129,879,000, did 90.8 per cent of total business on credit in 1928, 89.1 per cent of total business on credit in 1929, and 88.8 per cent of total business on credit in 1930.

There were 17 of the 225 firms which did 100 per cent credit business. Six of them were wholesale firms, eight were manufacturing, and three were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF CONFECTIONERY ESTABLISHMENTS, 1928-1930

Type of business	Estab-lishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit in weighted averages					
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	69	40,231	40,039	35,943	-0.5	-10.2	87.6	85.7	85.5	-2.2	-0.2
Manufacturing.....	96	75,208	76,888	69,117	+2.2	-10.1	92.0	90.7	90.2	-1.4	-.6
Wholesale and manufacturing..	59	28,713	28,162	24,306	-1.9	-13.7	91.7	89.5	89.4	-2.4	-.1
All others.....	1	959	735	513	-23.3	-30.3	93.0	92.5	92.0	-.5	-.6
Total.....	225	145,111	145,824	129,879	+0.5	-10.9	90.8	89.1	88.8	-1.9	-.3

LOSSES FROM BAD DEBTS

The average bad-debt loss for the confectionery establishments reporting on the subject was 0.6 per cent of total net sales in 1928, 0.6 per cent of total net sales in 1929, and 0.7 per cent of total net sales in 1930.

The average bad-debt loss for the wholesale establishments was 0.4 per cent in 1928, 0.4 per cent in 1929, and 0.4 per cent in 1930. The manufacturing establishments had an average of 0.7 per cent in 1928, 0.6 per cent in 1929, and 0.7 per cent in 1930. The average loss for the establishments classifying themselves as "wholesale and manufacturing" was 0.7 per cent in 1928, 0.9 per cent in 1929, and 1 per cent in 1930.

In correlating sales volume with losses from bad debts, it is clearly brought out that the larger the volume of sales, the smaller were the bad-debt loss percentages. In 1930 the range was from 1 per cent for the group with annual sales less than \$100,000, and also for the one with annual sales from \$100,000 to \$249,999, to just half that figure, 0.5 per cent, for the group with the largest annual sales (\$2,500,000 and over).

In grouping firms according to geographical sections, wide differences were found among the various sections of the country. The range was from 0.5 per cent for the Midwest to more than three times that figure, 1.6 per cent, for the Southeast.

In grouping the individual firms according to the size of their bad-debt loss percentages, it was found that there were 19 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 19 firms with 2 per cent or over. The latter firms thus had credit losses 10 times as great proportionately as the former.

BAD-DEBT LOSSES OF CONFECTIONERY ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	69	0.4	69	0.4	71	0.4
Manufacturing.....	94	.7	101	.6	104	.7
Wholesale and manufacturing.....	59	.7	61	.9	65	1.0
All others.....	1	.1	1	.1	1	.1
Total.....	223	.6	232	.6	241	.7

CONFECTIONERY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	19	5	4	4	2	1	3
0.2 to 0.29 per cent.....	21	2	8	4	4	2	1
0.3 to 0.39 per cent.....	15	2	3	1	4	4	1
0.4 to 0.49 per cent.....	20	5	8	3	2	1	1
0.5 to 0.59 per cent.....	18	5	6	3	1	3	1
0.6 to 0.69 per cent.....	25	4	10	8	1	2	1
0.7 to 0.79 per cent.....	19	1	9	4	3	1	1
0.8 to 0.89 per cent.....	10	—	4	5	1	—	—
0.9 to 0.99 per cent.....	11	—	2	5	3	1	—
1.0 to 1.09 per cent.....	10	—	1	1	4	2	2
1.1 to 1.19 per cent.....	11	2	—	7	1	1	—
1.2 to 1.29 per cent.....	6	3	1	2	—	—	—
1.3 to 1.39 per cent.....	10	—	2	1	4	—	—
1.4 to 1.49 per cent.....	4	—	1	2	1	—	—
1.5 to 1.59 per cent.....	8	2	4	2	—	—	—
1.6 to 1.69 per cent.....	5	—	4	—	1	—	—
1.7 to 1.79 per cent.....	3	1	—	—	1	1	—
1.8 to 1.89 per cent.....	3	—	2	—	—	1	—
1.9 to 1.99 per cent.....	4	2	—	1	—	—	—
2.0 per cent and over.....	19	3	10	4	1	1	—
Total.....	241	37	79	60	35	21	9

COLLECTION PERCENTAGES

The average collection percentage for confectionery establishments reporting on this subject was 57.4 per cent in 1929 and 54.2 per cent in 1930. Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month.

The average collection percentage for the wholesale establishments was 63.1 per cent in 1929 and 60.3 per cent in 1930. The manufacturing establishments had an average of 56 per cent in 1929 and 53 per cent in 1930. The average for the establishments classifying themselves as "wholesale and manufacturing" was 55 per cent in 1929 and 51.1 per cent in 1930.

The average length of time the dollars were tied up in accounts receivable was 52 days in 1929 and 55 days in 1930. The wholesale firms had an average of 48 days in 1929 and 50 days in 1930. The manufacturing firms had an average of 54 days in 1929 and 57 days in 1930. The wholesale and manufacturing firms had an average of 55 days in 1929 and 59 days in 1930.

The average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$142,465 in 1929 and \$150,684 in 1930.

In grouping firms according to sales volume, it was found that the group with the smallest annual sales (less than \$100,000) had the lowest collection percentage. The average for this group (17 firms represented) was 50.8 per cent in 1929 and 44.5 per cent in 1930.

Classifying firms according to geographical districts, it was found that the 10 firms reporting from New England, with 46.7 per cent in 1929 and 42.4 per cent in 1930, had the lowest percentage of any geographical sections of the country. The five firms reporting from the West Midcontinent, with 74.7 per cent in 1929 and 68.9 per cent in 1930, had the highest percentage.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF CONFECTIONERY ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lish- ments	Per cent in weighted averages		Average length of time ac- counts out- standing in days		Accounts receivable outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	40	63.1	60.3	48	50	\$131,506	\$136,986
Manufacturing.....	66	56.0	53.0	54	57	147,945	156,104
Wholesale and manufacturing.....	39	55.0	51.1	55	59	150,684	161,643
All others.....	1	77.4	71.0	39	42	106,849	115,068
Total.....	146	57.4	54.2	52	55	142,405	150,684

SALES VOLUME AND COLLECTION PERCENTAGES OF CONFECTIONERY ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lish- ments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000.....	17	50.8	44.5
\$100,000 to \$249,999.....	52	52.3	47.1
\$250,000 to \$499,999.....	36	59.2	56.4
\$500,000 to \$999,999.....	24	58.0	53.3
\$1,000,000 to \$2,499,999.....	11	59.6	55.5
\$2,500,000 and over.....	6	57.2	56.1
REGION			
New England.....	10	46.7	42.4
Central Atlantic.....	43	56.8	53.2
Midwest.....	32	61.7	62.7
Southeast.....	4	52.1	50.8
Gulf Southwest.....	15	58.0	52.6
West Midcontinent.....	5	74.7	68.9
Central Northwest.....	10	51.0	48.0
Pacific Northwest.....	10	49.0	45.2
Pacific Southwest.....	17	60.7	53.4
Total.....	146	57.4	54.2

RETURNS AND ALLOWANCES

Returns and allowances of confectionery stores were 2.1 per cent of gross sales in 1928, 2.1 per cent in 1929, and 2.5 per cent in 1930.

The size group with the smallest annual sales (less than \$100,000) had the highest percentage of returns and allowances. The averages for this group were 8.4 per cent in 1928, 7.6 per cent in 1929, and 8.3 per cent in 1930.

The size group with the largest annual sales (\$2,500,000 and over) had the lowest percentages of returns and allowances for 1929 and 1930. The next to the largest size group (annual sales \$1,000,000 to \$2,499,999) had the lowest percentage in 1928.

Grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 69 firms with less than 1 per cent. At the other extreme were found six firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF CONFECTIONERY ESTABLISHMENTS, 1928-1930

(Percentages are weighted averages based on total gross sales)

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	66	2.1	66	2.2	68	2.3
Manufacturing.....	95	2.0	102	2.0	105	2.5
Wholesale and manufacturing.....	59	2.5	61	2.5	65	2.7
All others.....	1	.1	1	.1	1	.1
Total.....	221	2.1	230	2.1	239	2.5

CONFECTIONERY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

(Percentages based on gross sales)

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 1 per cent.....	69	14	22	17	9	4	3
1 to 1.9 per cent.....	54	8	20	13	7	5	1
2 to 2.9 per cent.....	47	4	18	12	5	4	4
3 to 3.9 per cent.....	24	4	6	5	4	4	1
4 to 4.9 per cent.....	17	1	6	3	5	2	—
5 to 5.9 per cent.....	9	1	2	3	2	1	—
6 to 6.9 per cent.....	4	2	—	—	2	—	—
7 to 7.9 per cent.....	6	—	—	2	1	1	—
8 to 8.9 per cent.....	3	—	2	1	—	—	—
10 per cent and over.....	6	3	1	2	—	—	—
Total.....	239	37	79	58	35	21	9

CREDIT TERMS

Of the 236 confectionery establishments reporting on the subject of credit terms in 1930, 120, or 50.8 per cent of the total, most commonly used "2 per cent 10 days, net 30 days"; 21 firms most commonly used "no cash discount, net 30 days"; 22 most commonly used "1 per cent 10 days, net 30 days"; and 20 most commonly used "2 per cent tenth prox., net 30 days."

The following table correlates all the principal sets of credit terms with bad-debt losses and collection percentages. For example, the firms which used "no cash discount, net 30 days" had an average bad-debt loss of 0.5 per cent.

CREDIT TERMS AND LOSSES FROM BAD DEBTS OF CONFECTIONERY ESTABLISHMENTS IN 1930

Terms	Estab- lish- ments using terms	Per cent of total estab- lish- ments	Ratio bad debts to total sales— weighted averages
No cash discount; net 30 days.....	21	8.9	0.5
1 per cent 10 days; net 30 days.....	22	9.3	.6
2 per cent 10 days; net 30 days.....	120	50.8	.7
2 per cent 10 days; net 60 days.....	3	1.3	.9
2 per cent tenth prox.; net 30 days.....	20	8.5	1.0
All others.....	16	6.8	.5
Combination of two or more of the above.....	34	14.4	.8
Total.....	236	100.0	.7

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

One hundred and twenty confectionery establishments answered the question: What proportion of your customers attempt to take unearned discounts?

The per cent of customers attempting to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments) was 15.7.

Confectionery establishments had the highest percentage of the nine kinds of establishments included in this report. Drug and drug sundry establishments with 10.9 per cent had the next highest figure. Agricultural-implement establishments with 2.4 per cent had the lowest figure.

CUSTOMERS ATTEMPTING TO DICTATE TERMS

One hundred and twenty-three confectionery establishments answered the question: What proportion of your customers attempt to dictate terms?

The per cent of customers attempting to dictate terms (simple average of percentages—sum of percentages divided by number of establishments) was 8.7.

Confectionery establishments had the highest percentage of customers attempting to dictate terms of the nine kinds of establishments included in this report. Agriculture-implement and men's clothing firms, each with 5.4 per cent, had the next highest figure. Automotive-supply firms with 2.8 per cent had the lowest figure.

PER CENT OF CUSTOMERS OF CONFECTIONERY ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take unearned discounts		Attempting to dictate terms	
	Establishments	Per cent of customers	Establishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	32	21.2	33	17.6
Manufacturing.....	54	11.1	56	2.9
Wholesale and manufacturing.....	33	18.4	33	9.9
All other.....	1	2.0	1	0
SALES VOLUME				
Less than \$100,000.....	12	12.3	14	4.5
\$100,000 to \$249,999.....	38	18.9	43	9.3
\$250,000 to \$499,999.....	29	17.6	26	10.3
\$500,000 to \$999,999.....	24	14.5	23	9.2
\$1,000,000 to \$2,499,999.....	11	11.3	11	10.6
\$2,500,000 and over.....	6	6.0	6	1.8
Total.....	120	15.7	123	8.7

DRUG AND DRUG SUNDRY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 151 drug establishments selling direct to retailers, including those selling toilet articles and drug sundries, with total net sales in

1930 of \$266,465,000, did 96.4 per cent of total business on credit in 1928, 96.5 per cent on credit in 1929, and 96.5 per cent in 1930.

There were 25 of the 151 firms which did 100 per cent credit business. Seven of them were wholesale, 15 were manufacturing, and 3 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF DRUG AND DRUG SUNDRY ESTABLISHMENTS, 1928-1930

Type of business	Establishments	Total net sales in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	81	123,964	129,335	120,680	+4.4	-6.7	96.6	96.6	96.5	0.0	-0.1
Manufacturing.....	58	115,911	120,676	115,345	+4.1	-4.4	96.1	96.2	96.3	+1	+1
All others.....	12	27,141	30,682	30,440	+13.0	-8	96.5	97.0	97.3	+5	+3
Total.....	151	266,916	280,693	266,465	+5.2	-5.1	96.4	96.5	96.5	+1	0

BAD-DEBT LOSSES

The average bad-debt loss for drug and drug sundry establishments was 0.4 per cent in 1928, 0.4 per cent in 1929, and 0.7 per cent in 1930.

In grouping firms according to volume of sales, it was found that the smallest size group, that with annual sales less than \$100,000 (18 firms represented) had the highest bad-debt loss percentage. The average for this group was 0.9 per cent in 1928, 1.7 per cent in 1929, and 1.3 per cent in 1930. The second largest size group, that with annual sales from \$2,500,000 to \$4,999,999 (20 firms represented) had the lowest bad-debt loss percentage. The average for this group was 0.3 per cent in 1928, 0.3 per cent in 1929, and 0.5 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages, it was found that there were 26 with bad-debt loss percentages less than 0.2 per cent. At the other extreme were 13 firms with 2 per cent or over. The latter group thus had bad-debt losses more than 10 times as great proportionately as the former.

BAD-DEBT LOSSES OF DRUG AND DRUG SUNDRY ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	79	0.5	81	0.4	83	0.6
Manufacturing.....	58	.4	60	.4	60	.7
All others.....	12	.5	12	.5	12	.6
Total.....	149	.4	153	.4	155	.7

DRUG AND DRUG SUNDRY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF
BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (annual sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.	26	6	2	4	3	6	3	2
0.2 to 0.29 per cent.	17	1	2	3	3	3	3	2
0.3 to 0.39 per cent.	20		1	2	7	6	3	1
0.4 to 0.49 per cent.	17			3	3	6	3	2
0.5 to 0.59 per cent.	9	2		3	1		2	1
0.6 to 0.69 per cent.	10	1		3	2	1	2	1
0.7 to 0.79 per cent.	6	1		1		4		
0.8 to 0.89 per cent.	3		1			2		
0.9 to 0.99 per cent.	2		1		1			
1 to 1.09 per cent.	5			1	1	2	1	
1.1 to 1.19 per cent.	2							
1.2 to 1.29 per cent.	11	1		2	1	7		
1.3 to 1.39 per cent.	4	1	1	2				
1.4 to 1.49 per cent.	3			2			1	
1.5 to 1.59 per cent.	1	1						
1.6 to 1.69 per cent.	2			1	1			1
1.8 to 1.89 per cent.	3			1			1	1
1.9 to 1.99 per cent.	1		1					
2 per cent and over.	13	4	1	4	2	1		1
Total	155	18	10	33	25	38	20	11

COLLECTION PERCENTAGES

The average collection percentage for drug and drug sundry establishments was 50.8 per cent in 1929 and 47.3 per cent in 1930.

Collection percentages were computed by dividing the outstanding balances as of the first of the month into collections made during that month. The manufacturing concerns had lower collection percentages than the wholesale and "all others" group. The manufacturing concerns (40 reporting) had an average of 43.7 per cent in 1929 and 40.4 per cent in 1930. The wholesale concerns (65 represented) had an average of 58.5 per cent in 1929 and 54.5 per cent in 1930. The "all others" group had an average of 60.3 per cent in 1929 and 57.1 per cent in 1930.

The collection percentages indicate that the average length of time the dollars of drug and drug sundry establishments were tied up in accounts receivable was 59 days in 1929 and 63 days in 1930. The manufacturing concerns had an average of 69 days in 1929 and 74 days in 1930. The wholesale concerns had an average of 51 days in 1929 and 55 days in 1930. The "all others" group had an average of 50 days in 1929 and 53 days in 1930.

The collection percentages also indicate that the average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$161,643 in 1929 and \$172,602 in 1930.

In grouping individual establishments according to the size of their collection percentages, it was found that there were five concerns with less than 20 per cent. At the other extreme were 10 concerns with 80 per cent or over. The average bad-debt loss of the former group was 4.8 per cent and of the latter 0.3 per cent.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF DRUG AND DRUG
SUNDRY ESTABLISHMENTS, 1929 AND 1930

Classification	Number of estab- lish- ments	Per cent in weighted aver- ages		Average length of time account outstanding in days		Accounts receiva- ble outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale	65	58.5	54.5	51	55	\$139,726	\$150,684
Manufacturing	40	43.7	40.4	69	74	189,041	202,739
All others	9	60.3	57.1	50	53	136,986	145,205
Total	114	50.8	47.3	59	63	161,643	172,602

SALES VOLUME AND COLLECTION PERCENTAGES OF DRUG AND DRUG SUNDRY
ESTABLISHMENTS, IN 1929 AND 1930

Classification	Estab- lish- ments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
Less than \$100,000	8	43.3	37.4
\$100,000 to \$249,999	6	47.3	43.9
\$250,000 to \$499,999	25	51.6	49.1
\$500,000 to \$999,999	21	57.4	52.3
\$1,000,000 to \$2,499,999	28	47.4	42.3
\$2,500,000 to \$4,999,999	16	56.5	52.8
\$5,000,000 and over	10	48.5	46.1
REGION			
New England	9	63.1	55.8
Central Atlantic	41	45.8	42.8
Mid-west	29	55.0	50.6
Southeast	6	39.7	35.6
Gulf Southwest	16	53.2	49.4
West Midcontinent	2	64.3	55.7
Central Northwest	4	57.9	54.2
Pacific Northwest	2	61.4	60.0
Pacific Southwest	5	51.0	49.9
Total	114	50.8	47.3

RETURNS AND ALLOWANCES

Returns and allowances of drug and drug sundry establishments were 2.8 per cent of gross sales in 1928, 3 per cent of gross sales in 1929, and 3.2 per cent of gross sales in 1930.

Grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 24 of them with less than 1 per cent. At the other extreme were four firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF DRUG AND DRUG SUNDRY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lishments	Per cent	Estab- lishments	Per cent	Estab- lishments	Per cent
Wholesale.....	80	3.0	82	3.1	84	3.4
Manufacturing.....	57	2.6	59	3.1	59	3.5
All others.....	12	2.4	12	2.0	12	1.9
Total.....	149	2.8	153	3.0	155	3.2

DRUG AND DRUG SUNDRY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	24	5	3	6	2	6	-----	2
1 to 1.9 per cent.....	37	5	4	13	7	2	5	1
2 to 2.9 per cent.....	36	3	1	5	6	16	4	1
3 to 3.9 per cent.....	26	2	-----	3	5	7	5	4
4 to 4.9 per cent.....	9	1	-----	2	1	3	2	-----
5 to 5.9 per cent.....	8	1	-----	1	3	2	-----	-----
6 to 6.9 per cent.....	4	1	-----	-----	-----	1	1	1
7 to 7.9 per cent.....	2	-----	-----	-----	1	-----	-----	-----
8 to 8.9 per cent.....	3	-----	-----	-----	-----	2	-----	1
9 to 9.9 per cent.....	2	-----	1	-----	-----	-----	-----	1
10 per cent and over.....	4	1	1	2	-----	-----	-----	-----
Total.....	155	19	10	33	25	37	20	11

CREDIT TERMS

Of a total of 155 firms reporting on the subject of credit terms, 35, or 22.6 per cent, used most commonly "2 per cent 10 days, net 30 days"; 21, or 13.5 per cent, used most commonly "1 per cent 10 days, net 30 days."

CREDIT TERMS AND BAD DEBT LOSSES OF DRUG AND DRUG SUNDRY ESTABLISHMENTS IN 1930

Set of terms	Estab- lishments using set of terms	Per cent of total es- tablish- ments	Ratio bad debts to total sales— weighted averages
No cash discount; net 30 days.....	3	1.9	0.1
1 per cent 10 days; net 30 days.....	21	13.5	1.3
1 per cent 10 days; net 60 days.....	3	1.9	.5
2 per cent 10 days; net 30 days.....	35	22.6	.4
2 per cent 10 days; net 60 days.....	4	2.6	.9
2 per cent tenth prox.; net 30 days.....	4	2.6	.8
2 per cent tenth prox.; net 60 days.....	5	3.2	.4
All others.....	41	26.5	.6
Combination of 2 or more of the above.....	35	22.6	.7
Total.....	155	100.0	.7

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

One hundred and one drug and drug sundry establishments gave replies to the question, What proportion of your customers attempt to take unearned discounts? The replies indicate that 10.9 per cent of customers attempted to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

Of the nine kinds of establishments included in this report, drug and drug sundry establishments had the next highest percentage of customers attempting to take unearned discounts. Confectionery establishments with 15.7 per cent had the highest percentage. Agricultural-implement establishments with 2.4 per cent had the lowest.

CUSTOMERS ATTEMPTING TO DICTATE TERMS

One hundred and five drug and drug sundry establishments gave replies to the question, What proportion of your customers attempt to dictate terms? The replies indicate that 4.5 per cent of customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments).

In grouping firms according to volume of annual sales, it was found that the 10 firms with annual sales of \$5,000,000 and over, with 10.4 per cent, had a higher percentage than any other group.

PER CENT OF CUSTOMERS OF DRUG AND DRUG SUNDRY ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take un- earned discounts		Attempting to dictate terms	
	Estab- lishments	Per cent of customers	Estab- lishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	58	11.7	60	5.5
Manufacturing.....	38	8.4	38	1.5
Wholesale and manufacturing.....	5	20.2	7	12.6
SALES VOLUME				
Less than \$100,000.....	8	4.8	8	2.4
\$100,000 to \$249,999.....	6	6.7	6	2.7
\$250,000 to \$499,999.....	23	13.7	24	4.3
\$500,000 to \$999,999.....	18	15.9	19	6.5
\$1,000,000 to \$2,499,999.....	25	9.4	25	3.3
\$2,500,000 to \$4,999,999.....	11	6.8	13	2.2
\$5,000,000 and over.....	10	10.9	10	10.4
Total.....	101	10.9	105	4.5

DRY GOODS ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 120 dry goods and notions establishments selling direct to retailers, with total net sales in 1930 of \$187,407,000, did 96.9 per cent of total business on credit in 1928, 96.9 per cent on credit in 1929, and 96.1 per cent in 1930.

There were 36 of the 120 firms which did 100 per cent credit business. Twenty-one of them were wholesale, 8 were manufacturing, 4 were wholesale and manufacturing, and 3 were other types.

EXTENT OF CREDIT BUSINESS OF DRY GOODS ESTABLISHMENTS, 1928-1930

Type of business	Estab- lish- ments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	83	133,496	133,440	113,778	-0.1	-14.7	95.8	95.8	94.8	0.0	-1.1
Manufacturing.....	16	10,389	13,329	11,095	+28.3	-16.8	91.1	91.1	88.4	.0	-3.0
All others.....	21	77,859	80,610	62,534	+3.5	-22.4	99.3	99.4	90.4	+1.1	.0
Total.....	120	221,746	227,379	187,407	+2.5	-17.6	96.9	96.9	96.1	.0	-1.7

LOSSES FROM BAD DEBTS

The average bad-debt loss for dry goods establishments was 0.5 per cent of total sales in 1928, 0.5 per cent in 1929, and 0.9 per cent in 1930.

Of the nine kinds of establishments included in this report, men's wear, with 0.7 per cent in 1928, 0.7 per cent in 1929, and 1.2 per cent in 1930, had the highest bad-debt loss percentages. Coal and coke companies, with 0.2 per cent for all three years, had the lowest percentages.

The wholesale establishments had higher bad-debt loss percentages than the manufacturing. The wholesale firms (84 represented) had 0.6 per cent in 1928, 0.6 per cent in 1929, and 0.9 per cent in 1930. The manufacturing (16 represented) had 0.3 per cent in 1928, 0.4 per cent in 1929, and 0.4 per cent in 1930.

Grouping firms according to the size of their bad-debt losses, it was found that there were 15 of them with losses less than 0.2 per cent. At the other extreme were 15 with losses of 2.5 per cent and over. The latter firms thus had losses more than 12 times as great proportionately as the former.

BAD DEBT LOSSES OF DRY GOODS ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	84	0.6	87	0.6	91	0.9
Manufacturing.....	16	.3	18	.4	18	.4
All others.....	21	.4	22	.4	22	.1
Total.....	121	.5	127	.5	131	.9

DRY GOODS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSS, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Stores	Size group (annual sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 0.2 per cent.....	15	1	4		5	4	1
0.2 to 0.29 per cent.....	5		2	2		1	
0.3 to 0.39 per cent.....	10			3	2	3	2
0.4 to 0.49 per cent.....	14		1	3	4	4	2
0.5 to 0.59 per cent.....	9	1	3	1	1	3	
0.6 to 0.69 per cent.....	5		1		4		
0.7 to 0.79 per cent.....	8		1		3		3
0.8 to 0.89 per cent.....	5		1	1	1	2	
0.9 to 0.99 per cent.....	9		2	1	3	2	1
1 to 1.09 per cent.....	4				2	1	1
1.1 to 1.19 per cent.....	9				6	1	1
1.2 to 1.29 per cent.....	2			1		1	
1.3 to 1.39 per cent.....	5		3	1			1
1.4 to 1.49 per cent.....	3			1	1	1	
1.5 to 1.59 per cent.....	3				1	1	1
1.6 to 1.69 per cent.....	3		1				2
1.7 to 1.79 per cent.....	2			1		1	
1.8 to 1.89 per cent.....	2				2		
2.1 to 2.19 per cent.....	1		1				
2.3 to 2.39 per cent.....	1				1		
2.4 to 2.49 per cent.....	1		1				
2.5 per cent and over.....	15		3	6	3	1	2
Total.....	131	2	25	23	37	27	17

COLLECTION PERCENTAGES

The average collection percentage for dry goods establishments was 40.4 per cent in 1929 and 37.8 per cent in 1930. These indicate that the average length of time the dollars of dry goods establishments were tied up in accounts receivable was 74 days in 1929 and 79 days in 1930.

The collection percentages also indicate that the average amount outstanding at a given time, per \$1,000,000 of net credit sales, was \$202,739 in 1929 and \$216,438 in 1930.

In grouping firms according to the size of their collection percentages, it was found that there were four which had percentages less than 20 per cent. At the other extreme were three firms with 70 per cent or over. The average bad debt loss of the former group was 4.5 per cent and of the latter, 0.2 per cent.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF DRY GOODS ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lish- ments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Amount of accounts receivable outstanding at a given time per \$1,000,000 of net credit sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	71	41.4	39.1	72	77	\$197,210	\$210,958
All others.....	20	39.1	36.3	77	83	210,958	227,397
Total.....	91	40.4	37.8	74	79	202,739	216,438

SALES VOLUME AND COLLECTION PERCENTAGES OF DRY GOODS ESTABLISHMENTS,
1929 AND 1930

Classification	Estab- lishments	Per cent collected monthly, in weighted averages	
		1929	1930
SALES VOLUME			
\$100,000 to \$249,999.....	13	40.5	38.3
\$250,000 to \$499,999.....	16	33.2	29.9
\$500,000 to \$999,999.....	27	41.1	38.6
\$1,000,000 to \$2,499,999.....	19	41.3	40.0
\$2,500,000 and over.....	16	40.4	37.6
REGION			
New England.....	7	48.2	44.9
Central Atlantic.....	35	43.3	43.5
Mid-west.....	20	45.6	41.8
Southeast.....	6	28.5	23.5
Gulf Southwest.....	14	36.0	32.2
West Midcontinent.....	1	34.7	31.6
Central Northwest.....	1	78.2	64.3
Pacific Northwest.....	1	69.4	70.5
Pacific Southwest.....	6	48.7	45.6
Total.....	91	40.4	37.8

RETURNS AND ALLOWANCES

Returns and allowances of dry goods establishments were 4.1 per cent of gross sales in 1928, 3.9 per cent in 1929, and 4.1 per cent in 1930.

Grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 12 of them with less than 1 per cent. At the other extreme were three firms with ten times that figure.

RETURNS AND ALLOWANCES OF DRY GOODS ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lishments	Per cent	Estab- lishments	Per cent	Estab- lishments	Per cent
Wholesale.....	81	3.8	85	3.7	89	4.0
Manufacturing.....	16	3.3	18	2.5	18	2.5
All others.....	20	4.5	21	4.4	21	4.7
Total.....	117	4.1	124	3.9	128	4.1

DRY GOODS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND
ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 and over
Less than 1 per cent.....	12	2	4	4	2	2	1
1 to 1.9 per cent.....	22	5	1	9	4	4	2
2 to 2.9 per cent.....	25	4	9	6	5	4	4
3 to 3.9 per cent.....	21	4	2	6	1	1	2
4 to 4.9 per cent.....	23	3	3	7	6	1	2
5 to 5.9 per cent.....	7	3	1	2	2	3	3
6 to 6.9 per cent.....	2	2	2	1	1	1	1
7 to 7.9 per cent.....	3	1	1	1	1	1	1
8 to 8.9 per cent.....	7	2	2	2	2	2	2
9 to 9.9 per cent.....	3	1	1	1	1	1	1
10 per cent and over.....	3	1	1	1	1	1	1
Total.....	128	2	25	23	36	26	16

CREDIT TERMS

In securing data on credit terms, eight of the principal sets of terms in use among wholesalers and manufacturers selling direct to retailers were mentioned and the firm was asked to check the set of terms most commonly used. If the set of terms most commonly used by the firm was not listed, it was asked to specify its terms.

Of a total of 131 firms reporting on the subject, 64 or 48.9 per cent used terms other than those listed. An examination of the "all others" group showed that on the whole they allowed larger cash discounts and longer credit periods. Also that a characteristic of the terms of many dry goods houses was the use of an "extra" period. A set of terms found frequently was "2 per cent 10 days (60 days extra); net 90 days." This means that the 2 per cent discount is allowed if the goods are paid for within 70 days. Another set of terms found frequently was "3 per cent 10 days, 2 per cent 10 days, 60 extra; net 90 days." Some cases were found of 7 per cent discount if the bill is paid within 10 days. When the cash discount is so high, however, it is difficult to tell in the absence of details if all of it is a cash discount or if part of it is a trade discount.

CREDIT TERMS AND LOSSES FROM BAD DEBTS OF DRY GOODS ESTABLISHMENTS
IN 1930

Terms	Estab- lishments using terms	Per cent of total estab- lishments	Ratio bad debts to total sales— weighted averages
No cash discount; net 30 days.....	2	1.5	1.6
1 per cent 10 days; net 30 days.....	1	.8	.8
1 per cent 10 days; net 60 days.....	1	.8	.0
2 per cent 10 days; net 30 days.....	8	6.1	.8
2 per cent 10 days; net 60 days.....	13	9.9	.7
2 per cent tenth prox.; net 30 days.....	4	3.0	.7
2 per cent tenth prox.; net 60 days.....	2	1.5	1.0
All others.....	64	48.9	.9
Combination of 2 or more of the above.....	36	27.5	.9
Total.....	131	100.0	.9

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS

Eighty-one dry goods establishments gave replies to the question: What proportion of your customers attempt to take unearned discounts? The replies indicate that 7.6 per cent of customers attempt to take unearned discounts (simple average of percentages—sum of percentages divided by number of establishments).

In grouping firms according to volume of business, it was found that the size-group with sales from \$100,000 to \$249,999 (12 firms reporting) had the highest average, which was 17.8 per cent. The size group with sales of \$2,500,000 and over (13 firms reporting) had the lowest average, which was 2.9 per cent.

CUSTOMERS ATTEMPTING TO DICTATE TERMS

Seventy-six dry goods establishments gave replies to the question: What proportion of your customers attempt to dictate terms? The replies indicate that 4.4 per cent of customers attempt to dictate terms (simple average of percentages—sum of percentages divided by number of establishments).

Wholesale establishments (57 reporting) had an average of 3.4 per cent. The "all other" group had an average of 7.4 per cent.

PER CENT OF CUSTOMERS OF DRY GOODS ESTABLISHMENTS ATTEMPTING TO TAKE UNEARNED DISCOUNTS OR TO DICTATE TERMS IN 1930

Classification	Attempting to take unearned discounts		Attempting to dictate terms	
	Establishments	Per cent of customers	Establishments	Per cent of customers
TYPE OF ESTABLISHMENT				
Wholesale.....	61	8.2	57	3.4
All other.....	20	5.9	19	7.4
SALES VOLUME				
\$100,000 to \$249,999.....	12	17.8	11	4.4
\$250,000 to \$499,999.....	13	11.0	12	4.5
\$500,000 to \$999,999.....	25	4.4	23	2.5
\$1,000,000 to \$2,499,999.....	18	6.2	17	2.2
\$2,500,000 and over.....	13	2.9	13	10.5
Total.....	81	7.6	76	4.4

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MERCANTILE CREDIT SURVEY

PART II

COVERING NINE OF TWENTY-FIVE LINES OF TRADE



DOMESTIC COMMERCE SERIES—No. 77

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FOREWORD

The Mercantile Credit Survey is the outgrowth of several conferences held during 1930 between representatives of the Department of Commerce and credit men throughout the country. It was undertaken at the request of the National Association of Credit Men and was made with the active cooperation of its 140 affiliated associations. More than 6,000 wholesale and manufacturing firms cooperated by giving data reflecting their credit policies. The purpose of the survey was to secure a fund of factual information which will serve as a background for sound credit policies on the part of wholesalers and manufacturers in their dealings with retailers.

The important part played by credit in distribution is indicated by the fact that the credit sales of the 18 lines of trade included in Parts I and II of this survey were 87.4 per cent of total sales in 1930. Men's clothing establishments, with 98.8 per cent, had the highest percentage of credit sales; gasoline, lubricating oil, and grease establishments, with 67.4 per cent, had the lowest percentage. There were numerous firms with all of their business on a credit basis.

The figures presented herein for the years 1928, 1929, and 1930 seem to indicate that, on the whole, the credit extended by wholesalers and manufacturers selling direct to retailers was on a sound basis. At the same time, they also indicate that numerous firms were probably carrying on their business without proper regard for sound principles of credit. Some of these firms had bad-debt losses two or three times as great as the average for firms in the same kind of business. Their collection percentages were half the average, which means that the number of days their accounts receivable were outstanding was twice the average, and the amount of money on the books at a given time for the same volume of business was also twice the average. Their returns and allowance percentages were two or three times as great as they should have been. The profits of these concerns were literally being eaten up by the costs involved in carrying overdue accounts, in losses through uncollectible outstandings, and an unusually high percentage of returned merchandise. One of the effects of the type of management reflected in such figures is to nourish a group of inefficient retailers who are a wasteful burden on the distribution system.

The National Association of Credit Men was represented in the conduct of the survey by Henry H. Heimann, executive manager and former president; David A. Weir, assistant executive manager; and Lawrence Whitty, former president.

The survey was made under the general direction of Dr. Frank M. Surface, assistant director, and H. C. Dunn, chief of the merchandising research division, Bureau of Foreign and Domestic Commerce. Dr. W. C. Plummer, of the Wharton School of Finance and Commerce, University of Pennsylvania, who is retained by the department in connection with its credit researches, was responsible for the preparation of this report. H. T. LaCrosse, of the merchandising research division, assisted in the work. Dr. Theodore N. Beckman and Dr. Frank A. Fall gave the benefit of their advice in the formulation of the questionnaire and on various other matters.

FREDERICK M. FEIKER, *Director,*
Bureau of Foreign and Domestic Commerce.

NOVEMBER, 1932.

MERCANTILE CREDIT SURVEY—PART II

INTRODUCTION

This report is based on information derived from questionnaires sent to firms selling direct to retailers and located in all sections of the country. Names and addresses of firms were supplied by the 140 associations affiliated with the National Association of Credit Men. Each association was asked to supply a list of names totaling at least twice its membership and including all the principal lines of trade.

The business houses which received the questionnaires were told, on account of the confidential nature of the information requested, that the Department of Commerce wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of business in each part of the country; and that the facts regarding any individual business would not be subject to the use of any other Government department, credit association, or other agency, nor could any other report made by it be checked against this report.

The results of the survey are published in three parts—Part I and Part II each containing data for nine, and Part III, for seven lines of trade. Part III also contains summary material for the 25 lines of trade and a miscellaneous group.

The nine kinds of establishments included in Part I of the report are: Agricultural implements; athletic and sporting goods; automotive supplies, including tires; books and stationery; clothing, hats, caps, and gloves (men's wear); coal and coke; confectionery (candy and soda fountain supplies); drugs and toilet articles and drug sundries; and dry goods and notions.

The nine kinds of establishments included in Part II of the report are: Electrical and radio supplies; food products; footwear; furniture, floor coverings, and household furnishings; gasoline, lubricating oil, and greases; hardware and stoves; heating and plumbing supplies; jewelry; and leather and luggage.

Data upon the following subjects are given for each of the nine kinds of establishments: Extent of credit business, losses from bad debts, collection percentages, returns and allowances, credit terms, customers attempting to take unearned discounts, and customers attempting to dictate terms.

In presenting this information, averages are worked out for the various groups. Such averages are significant but do not give as much information as is sometimes desired; consequently, frequency tables are given showing the number and distribution of individual firms in the various groups. The aim has been to present the data in such form that the individual firm can compare its own experience with that of similar establishments.

The words "wholesale," "wholesaler," "wholesaling establishment," "manufacturing," "manufacturer," and "manufacturing establishment" are not used according to highly refined definitions of these terms. Each firm classified itself with respect to type and kind of business; consequently, these words are used in the way that they are commonly employed by those engaged in the various

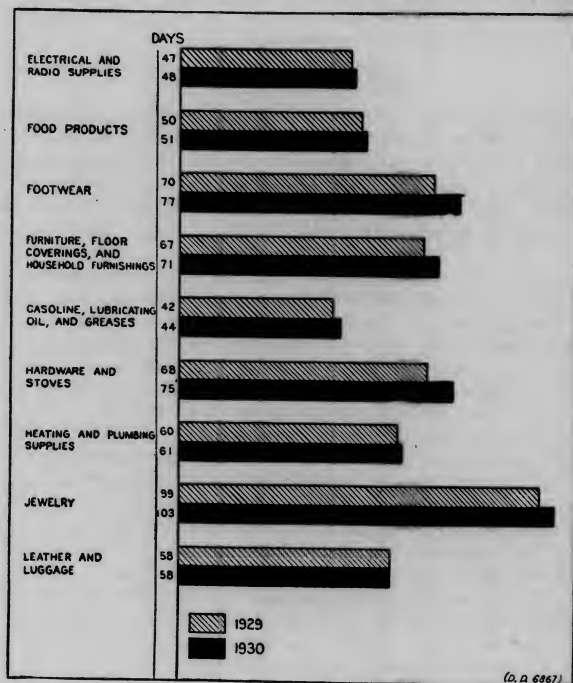


Figure 1.—Average period that accounts receivable are outstanding; wholesalers and manufacturers

lines of business. The questions asking the firm to classify itself were as follows:

I. Check type of business.

Wholesale.

Manufacturing, selling direct to retailers.

Commission house, selling direct to retailers.

II. Check kind of business establishment.

1. Agricultural implements.
2. Athletic and sporting goods.
3. Automotive supplies, including tires.
4. Books and stationery.
5. Clothing, hats, caps, and gloves (men's wear).
6. Coal and coke.
7. Confectionery (candy and soda fountain supplies).
8. Drugs and toilet articles and drug sundries.
9. Dry goods and notions.

II. Check kind of business establishment—Continued..

10. Electrical and radio supplies.
11. Food products.
12. Footwear.
13. Furniture, floor coverings, and household furnishings.
14. Gasoline, lubricating oil, and greases.
15. Hardware and stoves.
16. Heating and plumbing supplies.
17. Jewelry.
18. Leather and luggage.
19. Lumber and building materials.
20. Music (musical instruments and musical merchandise).
21. Paint, oil, varnish, and wall paper.
22. Paper and paper products.
23. Rubber: Mechanical rubber goods, such as belting, hose, and packing.
24. Tobacco products.
25. Women's wear, millinery, and gloves.
26. If your establishment can not be classified under any of the above lines of trade, specify your kind of business.

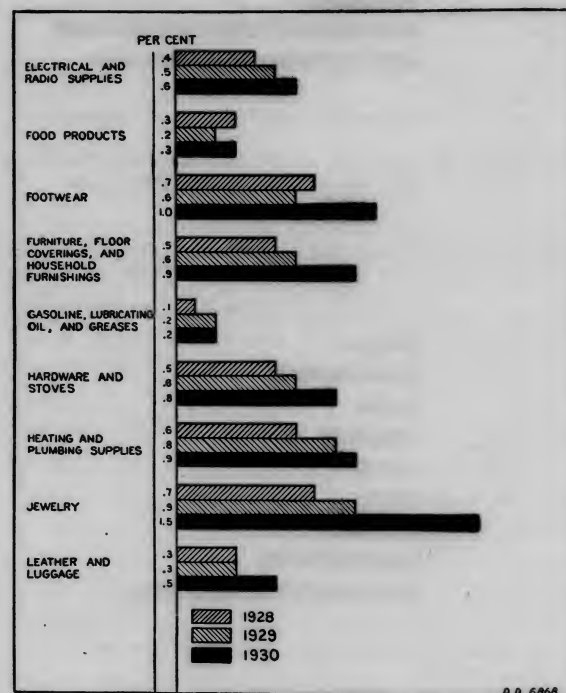


Figure 2.—Bad-debt losses of wholesalers and manufacturers

SUMMARY

This summary covers the first 18 lines of trade for which data have been compiled and which are included in Parts I and II of the Mercantile Credit Survey report. Part III of the report contains complete summary tables and text for 25 lines of trade and a miscellaneous group.

EXTENT OF CREDIT BUSINESS

The credit sales of 3,444 wholesale and manufacturing establishments reporting for the years 1928, 1929, and 1930 were 88.9 per cent of total net sales in 1928, 88.7 per cent of total net sales in 1929, and 87.4 per cent of total net sales in 1930. The range for 1930 was

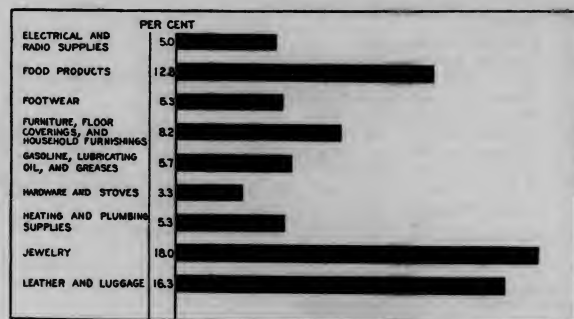


Figure 3.—Per cent of customers attempting to take unearned discounts.

from 67.4 per cent for gasoline, lubricating-oil, and grease establishments to 98.8 per cent for men's-clothing establishments.

BAD-DEBT LOSSES

The weighted average bad-debt loss of establishments reporting on the subject was 0.4 per cent of total net sales in 1928 (3,454 reporting),

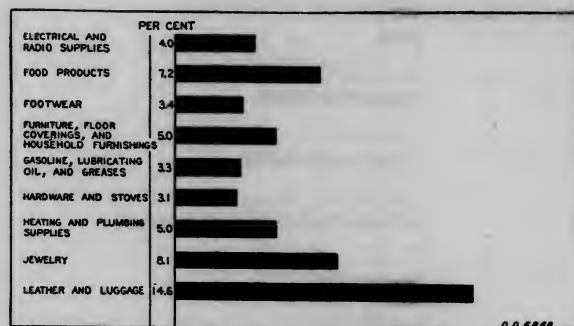


Figure 4.—Per cent of customers attempting to dictate terms.

0.4 per cent of total net sales in 1929 (3,623 reporting), and 0.6 per cent of total net sales in 1930 (3,722 reporting). The range for 1930 was from 0.2 per cent for coal and coke, and gasoline, lubricating-oil, and grease establishments to 1.5 per cent for jewelry establishments.

COLLECTION PERCENTAGES AND LENGTH OF TIME RECEIVABLES OUTSTANDING

The weighted average collection percentage of 2,469 establishments reporting on the subject for 1929 and 1930 was 50.5 per cent in 1929 and 48 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding—that is, the average length of time the wholesalers and manufacturers had their dollars tied up in accounts receivable—was 59 days in 1929 and 63 days in 1930. The range for 1930 was from 44 days for gasoline, lubricating-oil, and grease establishments to 146 days for agricultural-implement establishments.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$161,644 in 1929 and \$172,603 in 1930.

RETURNS AND ALLOWANCES

Returns and allowances of establishments reporting on the subject were 3 per cent of gross sales in 1928 (3,455 reporting); 3 per cent of gross sales in 1929 (3,612 reporting); and 3.1 per cent of gross sales in 1930 (3,710 reporting).

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS AND DICTATE TERMS

The replies of 1,856 establishments showed that 8.2 per cent of customers attempted to take unearned discounts. The replies of 2,101 establishments showed that 5.3 per cent of customers attempted to dictate terms.

ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 213 electrical and radio supply establishments selling direct to retailers, with total net sales in 1930 of \$305,276,000, did 97 per cent of total business on credit in 1928, 97 per cent on credit in 1929, and 96.8 per cent in 1930.

There were 31 of the 213 firms which did 100 per cent credit business. Ten of them were wholesale, 19 were manufacturing, 1 was manufacturing and wholesale, and 1 described itself as a commission house.

EXTENT OF CREDIT BUSINESS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	150	229,391	254,598	198,324	+11.0	-22.1	96.3	96.3	96.1	0	-0.2
Manufacturing.....	48	92,397	109,419	87,284	+18.4	-20.2	99.0	99.0	98.9	0	-0.1
Wholesale and manufacturing.....	12	22,164	24,630	18,937	+11.1	-23.1	95.9	95.3	94.8	-0.6	-0.5
All other.....	3	1,700	1,262	731	-25.8	-42.1	96.4	95.5	93.2	-0.9	-2.4
Total.....	213	345,652	389,929	305,276	+12.8	-21.7	97.0	97.0	96.8	0	-0.2

LOSSES FROM BAD DEBTS

The average bad-debt loss for the electrical and radio supply establishments reporting on the subject was 0.4 per cent of net sales in 1928, 0.5 per cent of net sales in 1929, and 0.7 per cent in 1930.

The average bad-debt loss for the firms which classified themselves as wholesale was 0.5 per cent in 1928, 0.6 per cent in 1929, and 0.7 per cent in 1930. The average for the firms which classified themselves as manufacturing was 0.2 per cent in 1928, 0.3 per cent in 1929, and 0.4 per cent in 1930. The firms which classified themselves as wholesale and manufacturing had 0.4 per cent in 1928, 0.4 per cent in 1929, and 1.7 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages in 1930, it was found that there were 26 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 27 firms with 2 per cent or over. The latter firms thus had credit losses more than ten times as great proportionately as the former.

BAD-DEBT LOSSES OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	152	0.5	163	0.6	169	0.7
Manufacturing.....	48	.2	50	.3	50	.4
Wholesale and manufacturing.....	13	.4	13	.4	13	1.7
All other.....	3	.5	3	.4	3	1.4
Total.....	216	.4	229	.5	235	.7

ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent	26	3	6	2	6	4	1	4
0.2 to 0.29 per cent	15		4	6	2	2		1
0.3 per 0.39 per cent	17	2	1	3	1	6	2	1
0.4 to 0.49 per cent	12	1	1	1	7			2
0.5 to 0.59 per cent	21	3	2	4	9	2		
0.6 to 0.69 per cent	18	1	1	5	8	3	1	1
0.7 to 0.79 per cent	16		2	3	4	5	1	1
0.8 to 0.89 per cent	9		2	4	2		1	
0.9 to 0.99 per cent	14		3	2	4	3	2	
1.0 to 1.09 per cent	14		4	1	2	6	1	
1.1 to 1.19 per cent	10	2	2	3	2	1		
1.2 to 1.29 per cent	6		2	1	1	1		
1.3 to 1.39 per cent	8	2	3	1	1	1	1	
1.4 to 1.49 per cent	6		2	3	1			
1.5 to 1.59 per cent	3		2		1			
1.6 to 1.69 per cent	3		1		1	1		
1.7 to 1.79 per cent	1							
1.8 to 1.89 per cent	5	1	4		1			
1.9 to 1.99 per cent	4		1	1	1		1	
2 per cent and over	27	1	4	6	10	6		
Total	235	16	47	46	63	42	12	9

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month; for example, if the balance on accounts receivable on January 1, 1930, was \$100,000 and collections during January were \$40,000, the collection percentage would be 40 per cent.

The weighted average collection percentage for electrical and radio supply establishments was 63.6 per cent in 1929 and 62.1 per cent in 1930. These figures indicate that the average length of time that accounts receivable were outstanding—that is, the average length of time the wholesalers and manufacturers had funds tied up in accounts receivable—was 47 days in 1929 and 48 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$128,767 in 1929 and \$131,507 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale	114	64.4	63.5	47	47	\$128,767	\$128,767
Manufacturing	30	70.0	67.0	43	45	117,808	123,288
Wholesale and manufacturing	12	46.9	44.4	64	68	175,342	186,301
All other	1	56.8	58.8	53	51	145,205	139,726
Total	157	63.6	62.1	47	48	128,767	131,507

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000	8	53.5	46.3	\$2,500,000 to \$4,999,999	9	54.8	57.1
\$100,000 to \$249,999	38	53.4	45.5	\$5,000,000 and over	6	72.8	73.2
\$250,000 to \$499,999	33	58.1	52.0				
\$500,000 to \$999,999	37	53.9	52.2	Total	157	63.6	62.1
\$1,000,000 to \$2,499,999	26	60.4	55.3				

RETURNS AND ALLOWANCES

Returns and allowances of electrical and radio supply establishments were 5.1 per cent of gross sales in 1928, 5.5 per cent in 1929, and 6.1 per cent in 1930.

The wholesale establishments had an average of 5.5 per cent in 1928, 5.8 per cent in 1929, and 5.8 per cent in 1930. The manufacturing establishments had an average of 3.8 per cent in 1928, 4.7 per cent in 1929, and 6.6 per cent in 1930. The wholesale and manu-

facturing establishments had 6.5 per cent in 1928, 6.2 per cent in 1929, and 6.3 per cent in 1930.

In grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 32 firms with less than 1 per cent. At the other extreme were 24 firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	151	5.5	161	5.8	168	5.8
Manufacturing.....	48	3.8	51	4.7	51	6.6
Wholesale and manufacturing.....	12	6.5	12	6.2	12	6.3
All other.....	3	3.5	3	4.6	3	4.9
Total.....	214	5.1	227	5.5	234	6.1

ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	32	5	8	6	8	2	2	1
1 to 1.9 per cent.....	19	2	3	7	5	1	1	1
2 to 2.9 per cent.....	30	3	8	8	6	2	2	1
3 to 3.9 per cent.....	35	1	6	7	9	8	2	2
4 to 4.9 per cent.....	31	2	5	3	9	9	2	1
5 to 5.9 per cent.....	24	1	1	5	9	8	1	1
6 to 6.9 per cent.....	10	3	2	2	2	1	1	1
7 to 7.9 per cent.....	11	2	1	1	5	3	1	1
8 to 8.9 per cent.....	13	1	4	2	1	3	1	1
9 to 9.9 per cent.....	5	1	1	1	2	1	1	1
10 per cent and over.....	24	2	6	4	6	3	1	2
Total.....	234	17	47	46	62	41	12	9

CREDIT TERMS

In securing information on credit terms, eight sets of terms in common use among wholesalers and manufacturers were listed on the questionnaire, and the firm was asked to check the set of terms most commonly used. If the set of terms most commonly employed by the firm was not listed, it was asked to specify its terms.

Sixty-eight radio and electrical supply establishments, or 29.2 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." Sixty firms, or 25.6 per cent of the total, used "2 per cent tenth prox.; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS IN 1930

Set of terms	Estab-lish-ments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	15	6.4	1.1
1 per cent 10 days; net 30 days.....	7	3.0	.2
2 per cent 10 days; net 30 days.....	68	29.2	.5
2 per cent tenth prox.; net 30 days.....	60	25.6	1.1
2 per cent tenth prox.; net 60 days.....	1	.4	1.0
All other.....	23	9.8	1.1
Combination of 2 or more of the above.....	60	25.6	.8
Total.....	234	100.0	.7

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

One hundred and forty-five electrical and radio supply establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 4 per cent of customers attempted to dictate terms. It is interesting to note that the six establishments with annual sales less than \$100,000 had an average of 17 per cent, whereas the six with annual sales of \$5,000,000 or over had 0.5 per cent.

One hundred and thirty-five electrical and radio supply establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 5 per cent of customers attempted to take unearned discounts. In grouping establishments according to size, it was found that the smallest size group (annual sales less than \$100,000) had an average of 17.5 per cent. The largest size group (annual sales \$5,000,000 and over) had an average of 1 per cent.

PER CENT OF CUSTOMERS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms re-ported	Per cent of customers	Firms re-ported	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	107	4.6	101	5.9
Manufacturing.....	26	1.2	24	2.2
Wholesale and manufacturing.....	11	4.5	9	2.8
All other.....	1	1.0	1	1.0
SALES VOLUME				
Less than \$100,000.....	6	17.0	6	17.5
\$100,000 to \$249,999.....	36	4.1	31	5.1
\$250,000 to \$499,999.....	28	2.5	30	5.4
\$500,000 to \$999,999.....	36	4.3	33	5.8
\$1,000,000 to \$2,499,999.....	24	3.6	23	1.9
\$2,500,000 to \$4,999,999.....	9	1.2	7	1.9
\$5,000,000 and over.....	6	.5	5	1.0
Total.....	145	4.0	135	5.0

FOOD-PRODUCTS ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 918 food-products establishments selling direct to retailers reporting for the years 1928, 1929, and 1930 did 82.6 per cent of total business on credit in 1928, 82.3 per cent on credit in 1929, and 81.6 per cent on credit in 1930.

There were 71 of the 918 firms which did 100 per cent credit business. Forty of them were wholesale, 20 were manufacturing, 2 were commission houses, 8 were wholesale and manufacturing, and 1 wholesale and commission house.

EXTENT OF CREDIT BUSINESS OF FOOD-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	504	794,048	813,507	743,615	+2.5	-8.6	84.0	83.8	83.8	-0.2	0
Manufacturing.....	243	587,576	602,116	555,388	+2.5	-7.8	77.7	77.5	76.2	-1.3	-1.7
Wholesale and manufacturing.....	120	235,747	243,307	226,887	+3.2	-6.8	88.7	88.2	87.3	-0.6	-1.0
All other.....	51	56,616	58,834	54,478	+3.9	-7.4	86.7	86.2	83.0	-3.6	-3.7
Total.....	918	1,673,987	1,717,764	1,580,368	+2.6	-8.0	82.6	82.3	81.6	-0.4	-0.9

LOSSES FROM BAD DEBTS

The average bad-debt loss for the food-products establishments reporting on the subject was 0.3 per cent of net sales in 1928, 0.2 per cent of net sales in 1929, and 0.3 per cent of net sales in 1930.

In correlating sales volume and bad-debt loss percentages, it was found that the larger the sales volume the smaller were the bad-debt loss percentages. This is true for all three years. The range in 1930 was from 0.9 per cent for the smallest size group (annual sales less than \$100,000) to 0.2 per cent for the largest size group (annual sales \$10,000,000 and over).

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 307 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 45 firms with 1.5 per cent or over. The latter firms thus had credit losses more than seven and one-half times as great proportionately as the former.

BAD-DEBT LOSSES OF FOOD-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	504	0.3	534	0.3	551	0.3
Manufacturing.....	241	.2	262	.2	272	.3
Wholesale and manufacturing.....	126	.3	135	.3	142	.3
All other.....	50	.3	52	.3	53	.3
Total.....	921	.3	983	.2	1,018	.3

FOOD-PRODUCTS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 and over
Less than 0.2 per cent.....	307	10	28	49	81	66	40	17	16
0.2 to 0.29 per cent.....	161	7	13	25	49	45	11	9	2
0.3 to 0.39 per cent.....	122	6	14	21	25	38	11	6	1
0.4 to 0.49 per cent.....	115	6	17	17	29	32	8	6	1
0.5 to 0.59 per cent.....	77	5	17	14	16	15	6	3	1
0.6 to 0.69 per cent.....	44	3	3	8	12	9	6	2	1
0.7 to 0.79 per cent.....	27	1	5	10	4	5	1	1	1
0.8 to 0.89 per cent.....	29	4	6	6	7	2	3	3	1
0.9 to 0.99 per cent.....	20	4	5	3	7	3	3	1	1
1.0 to 1.09 per cent.....	21	1	6	3	5	3	3	1	1
1.1 to 1.19 per cent.....	16	3	4	2	2	5	3	1	1
1.2 to 1.29 per cent.....	12	2	3	2	2	1	1	1	1
1.3 to 1.39 per cent.....	11	1	4	3	3	3	1	1	1
1.4 to 1.49 per cent.....	11	1	3	3	3	2	1	1	1
1.5 per cent and over.....	45	12	12	8	6	7	1	1	1
Total.....	1,018	65	137	174	248	233	89	48	24

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month; for example, if the balance on accounts receivable on January 1, 1930, was \$100,000 and collections during January were \$40,000, the collection percentage would be 40 per cent.

The weighted average collection percentage for food-products establishments was 59.7 per cent in 1929 and 58.9 per cent in 1930. These figures indicate that the average length of time accounts receivable were outstanding was 50 days in 1929 and 51 days in 1930.

The collection percentages also indicate that the amount of accounts receivable that were outstanding at a given time per \$1,000,000 of net sales was \$136,986 in 1929 and \$139,726 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOD-PRODUCTS ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000.00 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	274	60.7	59.7	49	50	\$134,247	\$136,986
Manufacturing.....	136	58.2	57.9	52	52	142,466	142,466
Wholesale and manufacturing.....	79	59.3	57.6	51	52	139,726	142,466
All others.....	28	63.3	63.7	47	47	128,767	128,767
Total.....	517	59.7	58.9	50	51	136,986	139,726

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOD-PRODUCTS ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	19	45.6	45.4	\$2,500,000 to \$4,999,999.....	44	61.7	61.2
\$100,000 to \$249,999.....	60	59.0	55.8	\$5,000,000 to \$9,999,999.....	33	56.7	55.8
\$250,000 to \$499,999.....	81	61.0	57.9	\$10,000,000 and over.....	14	57.4	56.2
\$500,000 to \$999,999.....	131	62.8	63.8				
\$1,000,000 to \$2,499,999.....	135	62.5	61.5	Total.....	517	59.7	58.9

RETURNS AND ALLOWANCES

Returns and allowances of food-products establishments were 1.7 per cent of gross sales in 1928, 1.6 per cent in 1929, and 1.8 per cent in 1930.

The wholesale establishments had 1.4 per cent in 1928, 1.4 per cent in 1929, and 1.4 per cent in 1930. The manufacturing establishments had 2.4 per cent in 1928, 2.3 per cent in 1929, and 2.5 per cent in 1930. The wholesale and manufacturing establishments had 1.1 per cent in 1928, 1.1 per cent in 1929, and 1.2 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it is found that there were 201 firms with less than 0.2 per cent. At the other extreme were 141 firms with 3 per cent or over. The latter firms thus had returns and allowances 15 times as great proportionately as the former.

RETURNS AND ALLOWANCES OF FOOD-PRODUCTS ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	505	1.4	536	1.4	552	1.4
Manufacturing.....	244	2.4	263	2.3	272	2.5
Wholesale and manufacturing.....	121	1.1	130	1.1	137	1.2
All other.....	51	.9	53	.9	54	.9
Total.....	921	1.7	982	1.6	1,015	1.8

FOOD-PRODUCTS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 and over
Less than 0.2 per cent.....	201	25	43	35	48	29	11	6	4
0.2 to 0.39 per cent.....	83	5	8	12	24	21	8	2	3
0.4 to 0.59 per cent.....	100	5	17	24	19	25	4	2	2
0.6 to 0.79 per cent.....	65	1	7	9	17	19	11	4	1
0.8 to 0.99 per cent.....	65	4	6	10	16	17	6	3	1
1 to 1.19 per cent.....	67	1	9	11	21	18	3	3	1
1.2 to 1.39 per cent.....	57	2	7	6	16	16	6	4	1
1.4 to 1.59 per cent.....	46	2	6	6	12	11	5	4	1
1.6 to 1.79 per cent.....	45	2	4	5	12	10	7	3	2
1.8 to 1.99 per cent.....	32	2	3	5	5	7	6	4	1
2 to 2.19 per cent.....	35	2	4	11	9	5	2	2	1
2.2 to 2.39 per cent.....	21	2	3	3	4	7	4	1	1
2.4 to 2.59 per cent.....	19	1	1	4	4	7	1	1	1
2.6 to 2.79 per cent.....	22	4	1	8	7	1	1	1	1
2.8 to 2.99 per cent.....	16	1	3	1	4	2	1	4	1
3 per cent and over.....	141	10	20	30	29	31	10	6	5
Total.....	1,015	69	139	172	248	232	86	48	21

CREDIT TERMS

A wide variety of credit terms was employed by food-products establishments. One hundred and thirty-six establishments, or 13.5 per cent of the total reporting on the subject, used "no cash discount; net 30 days." One hundred and twenty-five firms, or 12.4 per cent of the total, used "1 per cent 10 days; net 30 days." One hundred and three firms, or 10.2 per cent of the total, used "2 per cent 10 days; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF FOOD-PRODUCTS ESTABLISHMENTS IN 1930

Set of terms	Estab-lish-ments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	136	13.5	0.3
No cash discount; net 60 days.....	3	.3	.2
1 per cent 10 days; net 30 days.....	125	12.4	.4
1 per cent 10 days; net 60 days.....	4	.4	.2
2 per cent 10 days; net 30 days.....	103	10.2	.4
2 per cent 10 days; net 60 days.....	2	.2	.1
2 per cent tenth prox.; net 30 days.....	30	3.0	.5
2 per cent tenth prox.; net 60 days.....	3	.3	.1
All other.....	366	36.2	.2
Combination of 2 or more of the above.....	238	23.5	.3
Total.....	1,010	100.0	.3

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Four hundred and thirty-two food-products establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 7.2 per cent of customers attempted to dictate terms.

Two hundred and forty-six food-products establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 12.8 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF FOOD-PRODUCTS ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	223	7.4	151	14.1
Manufacturing.....	117	7.4	55	10.8
Wholesale and manufacturing.....	71	6.7	37	11.1
All other.....	21	7.0	3	1.0
SALES VOLUME				
Less than \$100,000.....	14	6.2	11	6.5
\$100,000 to \$249,999.....	50	10.0	33	11.8
\$250,000 to \$499,999.....	66	9.5	40	8.5
\$500,000 to \$999,999.....	107	6.4	58	16.8
\$1,000,000 to \$2,499,999.....	117	5.9	67	11.8
\$2,500,000 to \$4,999,999.....	40	6.1	21	15.1
\$5,000,000 to \$9,999,999.....	27	8.7	11	23.1
\$10,000,000 and over.....	11	5.6	5	1.0
Total.....	432	7.2	246	12.8

FOOTWEAR ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 136 footwear establishments selling direct to retailers which reported for the years 1928, 1929, and 1930 did 95.3 per cent of total business on credit in 1928, 95.2 per cent on credit in 1929, and 95 per cent in 1930.

There were 60 of the 136 firms which did 100 per cent credit business. Nine of them were wholesale, 50 were manufacturing, and 1 was wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF FOOTWEAR ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	40	34,683	34,843	29,077	+0.5	-16.6	86.6	86.8	86.7	+0.2	-0.1
Manufacturing.....	93	294,245	301,000	243,318	+2.3	-19.2	96.3	96.1	96.0	-0.2	-0.1
Wholesale and manufacturing.....	3	3,234	3,105	2,083	-4.0	-32.9	99.7	99.7	99.7	0	0
Total.....	136	332,162	338,948	274,478	+2.0	-19.0	95.3	95.2	95.0	-0.1	-0.2

LOSSES FROM BAD DEBTS

The average bad-debt loss for the footwear establishments reporting on the subject was 0.7 per cent of net sales in 1928, 0.6 per cent of net sales in 1929, and 1 per cent of net sales in 1930.

The firms which classified themselves as wholesale had an average bad-debt loss of 0.7 per cent in 1928, 0.7 per cent in 1929, and 1.2 per cent in 1930. Those which classified themselves as manufacturing had an average of 0.7 per cent in 1928, 0.6 per cent in 1929, and 1 per cent in 1930. Those which classified themselves as wholesale and manufacturing had 0.6 per cent in 1928, 0.4 per cent in 1929, and 0.7 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 19 of them with bad-debt losses less than 0.2 per cent. At the other extreme were nine firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF FOOTWEAR ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	41	0.7	42	0.7	43	1.2
Manufacturing.....	92	.7	96	.6	97	1.0
Wholesale and manufacturing.....	3	.6	3	.4	3	.7
Total.....	136	.7	141	.6	143	1.0

FOOTWEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	19	1	3	2	1	8	3	1
0.2 to 0.39 per cent.....	9			3	1	4		1
0.4 to 0.59 per cent.....	20	1	6	3	5	2	3	
0.6 to 0.79 per cent.....	15		1	1	3	8	1	1
0.8 to 0.99 per cent.....	19	3	2	2	3	6	1	2
1 to 1.19 per cent.....	12	1	1	3	3	2		1
1.2 to 1.39 per cent.....	9	1	3	1	1	2		1
1.4 to 1.59 per cent.....	8	1	1	2	2	1		1
1.6 to 1.79 per cent.....	4			2	2			
1.8 to 1.99 per cent.....	6		2		1	2	1	
2 to 2.19 per cent.....	4		1			1	1	1
2.2 to 2.39 per cent.....	4				2	1	1	
2.4 to 2.59 per cent.....	2		1	1				
2.6 to 2.79 per cent.....	1			1				
2.8 to 2.99 per cent.....	2				2			
3 per cent and over.....	9	2	1	1		3		
Total.....	143	10	22	22	28	40	11	10

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month.

The weighted average collection percentage for footwear establishments was 42.7 per cent in 1929 and 39 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 70 days in 1929 and 77 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$191,781 in 1929 and \$210,959 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOTWEAR ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	32	41.6	37.8	72	79	\$197,200	\$216,438
Manufacturing.....	74	42.9	39.2	70	77	191,781	210,959
Wholesale and manufacturing.....	2	38.3	35.4	78	85	213,699	232,877
Total.....	108	42.7	39.0	70	77	191,781	210,959

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOTWEAR ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	5	43.8	42.7	\$2,500,000 to \$4,999,999.....	10	44.4	40.0
\$100,000 to \$249,999.....	17	39.7	35.9	\$5,000,000 and over.....	9	43.0	40.3
\$250,000 to \$499,999.....	14	42.3	38.9				
\$500,000 to \$999,999.....	25	40.9	37.7	Total.....	108	42.7	39.0
\$1,000,000 to \$2,499,999.....	28	41.8	36.8				

RETURNS AND ALLOWANCES

Returns and allowances of footwear establishments were 4.3 per cent of gross sales in 1928, 4.4 per cent in 1929, and 4.8 per cent in 1930.

The wholesale establishments had 4.3 per cent in 1928, 3.9 per cent in 1929, and 4 per cent in 1930. The manufacturing establishments had 4.3 per cent in 1928, 4.4 per cent in 1929, and 4.9 per cent in 1930. The wholesale and manufacturing establishments had 2 per cent in 1928, 2.5 per cent in 1929, and 3.3 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 11 firms with less than 1 per cent. At the other extreme were 13 firms with 10 per cent or over. The latter firms thus had returns and allowances ten times as great proportionately as the former.

RETURNS AND ALLOWANCES OF FOOTWEAR ESTABLISHMENTS 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	40	4.2	41	3.9	42	4.0
Manufacturing.....	93	4.3	97	4.4	98	4.9
Wholesale and manufacturing.....	3	2.0	3	2.5	3	3.3
Total.....	136	4.3	141	4.4	143	4.8

FOOTWEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total firms	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	11	1	3	3	1	2	1	1
1 to 1.9 per cent.....	13	3	2	1	2	4	1	1
2 to 2.9 per cent.....	24	4	4	2	4	6	3	1
3 to 3.9 per cent.....	14	2	5	2	2	2	2	1
4 to 4.9 per cent.....	28	1	4	4	5	9	2	3
5 to 5.9 per cent.....	18	1	3	3	4	6	1	1
6 to 6.9 per cent.....	12	1	2	1	4	2	1	1
7 to 7.9 per cent.....	2	1	1	1	1	1	1	1
8 to 8.9 per cent.....	4	1	1	1	1	1	1	1
9 to 9.9 per cent.....	4	1	1	1	1	1	1	1
10 per cent and over.....	13	2	1	3	6	1	1	1
Total.....	143	10	22	21	29	40	11	10

CREDIT TERMS

A wide variety of credit terms was employed by footwear establishments. Eighteen firms, or 12.7 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." This set of terms was used by more firms than any other.

CREDIT TERMS AND BAD-DEBT LOSSES OF FOOTWEAR ESTABLISHMENTS IN 1930

Set of terms	Estab-lish-ments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	8	5.6	0.7
No cash discount; net 60 days.....	5	3.5	1.5
1 per cent 10 days; net 30 days.....	9	6.3	1.8
1 per cent 10 days; net 60 days.....	1	0.7	1.6
2 per cent 10 days; net 30 days.....	18	12.7	2.4
2 per cent 10 days; net 60 days.....	2	1.4	1.5
2 per cent tenth prox.; net 30 days.....	1	0.7	1.7
2 per cent tenth prox.; net 60 days.....	1	0.7	2.0
All other.....	68	47.9	0.8
Combination of 2 or more of the above.....	29	20.5	0.9
Total.....	142	100.0	1.0

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Eighty-eight footwear establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 3.4 per cent of customers attempted to dictate terms. In grouping firms according to size, it was found that the largest size group (annual sales \$5,000,000 and over) had the highest percentage. The average for this group was 14.9 per cent.

Eighty-six footwear establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 5.3 per cent of customers attempted to take unearned discounts. In grouping firms according to size, it is found that the largest size group (annual sales \$5,000,000 and over) had the highest percentage. The average for this group was 20.6 per cent.

PER CENT OF CUSTOMERS OF FOOTWEAR ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TO TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	24	2.5	23	4.3
Manufacturing.....	64	3.7	63	5.7
SALES VOLUME				
Less than \$100,000.....	4	6.0	3	10.0
\$100,000 to \$249,999.....	15	3.8	14	7.4
\$250,000 to \$499,999.....	10	1.7	10	7.0
\$500,000 to \$999,999.....	20	1.1	22	3.5
\$1,000,000 to \$2,499,999.....	22	2.8	23	2.5
\$2,500,000 to \$4,999,999.....	10	1.3	9	2.1
\$5,000,000 and over.....	7	14.9	5	20.6
Total.....	88	3.4	86	5.3

FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 346 furniture, floor-covering, and household-furnishing establishments selling direct to retailers, which reported for the years 1928, 1929, and 1930, did 98 per cent of total business on credit in 1928, 98 per cent on credit in 1929, and 97.8 per cent in 1930.

There were 153 of the 346 firms which did 100 per cent credit business. Nineteen of them were wholesale, 125 were manufacturing, 1 was a commission house, 7 were wholesale and manufacturing, and 1 was a manufacturing and commission house.

EXTENT OF CREDIT BUSINESS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change	1928 over 1928	1929 over 1928	1930 over 1928	Per cent change	1929 over 1928
Wholesale.....	75	70,444	75,105	60,318	+6.6	-19.7	97.9	97.7	97.6	-0.2
Manufacturing.....	240	340,407	360,468	270,255	+5.5	-25.0	98.0	98.1	98.2	+1
Wholesale and manufacturing.....	23	21,746	22,283	18,738	+2.5	-15.9	98.5	98.3	98.0	-2
All other.....	8	6,963	7,382	5,300	+6.0	-28.2	97.7	97.5	97.5	-2
Total.....	346	439,560	465,238	354,611	+5.8	-23.8	98.0	98.0	97.8	0.0

LOSSES FROM BAD DEBTS

The average bad-debt loss for furniture, floor-covering, and household-furnishing establishments was 0.5 per cent of net sales in 1928, 0.6 per cent in 1929, and 0.9 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 44 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 42 firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	76	0.6	77	0.6	78	1.1
Manufacturing.....	241	.5	243	.5	246	.9
Wholesale and manufacturing.....	25	.6	25	.8	25	1.0
All other.....	8	.4	9	.4	9	.7
Total.....	350	.5	354	.6	358	.9

FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS
GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	44	6	8	10	12	5	1	2
0.2 to 0.39 per cent.....	42	5	7	8	10	9	3	1
0.4 to 0.59 per cent.....	49	1	6	18	7	14	2	1
0.6 to 0.79 per cent.....	32	4	7	12	4	3	1	1
0.8 to 0.99 per cent.....	33	3	8	8	8	3	1	2
1 to 1.19 per cent.....	24	1	5	7	5	6		
1.2 to 1.39 per cent.....	22	2	4	7	6	3		
1.4 to 1.59 per cent.....	19	1	4	2	6	4		
1.6 to 1.79 per cent.....	11	3	6		1		1	1
1.8 to 1.99 per cent.....	9	1	4	2	1		1	
2 to 2.19 per cent.....	8	3		2	2	1		
2.2 to 2.39 per cent.....	9	1	2	2	2	1		1
2.4 to 2.59 per cent.....	6	2	1	2	1			
2.6 to 2.79 per cent.....	4		2	2	2			
2.8 to 2.99 per cent.....	4		1	1	2			
3 per cent and over.....	42	6	19	9	5	3		
Total.....	358	39	84	92	71	53	10	9

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for these establishments was 44.8 per cent in 1929 and 42.1 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 67 days in 1929 and 71 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$183,562 in 1929 and \$194,521 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	68	41.6	36.9	72	81	\$197,260	\$221,918
Manufacturing.....	190	45.6	43.6	66	69	180,822	180,041
Wholesale and manufacturing.....	20	44.3	41.6	68	72	186,301	197,260
All other.....	6	56.7	54.1	53	55	145,205	150,685
Total.....	284	44.8	42.1	67	71	183,562	194,521

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	25	46.2	39.6	\$2,500,000 to \$4,999,999.....	9	47.7	47.6
\$100,000 to \$249,999.....	65	43.6	39.8	\$5,000,000 and over.....	9	43.9	41.3
\$250,000 to \$499,999.....	72	45.2	41.4	Total.....	284	44.8	42.1
\$500,000 to \$999,999.....	59	48.1	44.4				
\$1,000,000 to \$2,499,999.....	45	43.3	41.1				

RETURNS AND ALLOWANCES

Returns and allowances of furniture, floor-covering, and household-furnishing establishments were 3.3 per cent of gross sales in 1928, 3.2 per cent in 1929, and 3.9 per cent in 1930.

The wholesale establishments had 4.1 per cent in 1928, 4.2 per cent in 1929, and 4.9 per cent in 1930. The manufacturing establishments had 3.2 per cent in 1928, 3 per cent in 1929, and 3.8 per cent in 1930. The wholesale and manufacturing establishments had 2.5 per cent in 1928, 2.5 per cent in 1929, and 3 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 78 firms with less than 1 per cent. At the other extreme were 13 firms with 10 per cent or over. The latter firms thus had returns and allowances ten times as great proportionately as the former.

RETURNS AND ALLOWANCES OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	77	4.1	83	4.2	79	4.9
Manufacturing.....	240	3.2	242	3.0	245	3.8
Wholesale and manufacturing.....	23	2.5	23	2.5	23	3.0
All other.....	8	.8	9	1.0	9	1.2
Total.....	348	3.3	352	3.2	356	3.9

FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	78	15	27	17	11	6	2	
1 to 1.9 per cent.....	63	3	18	17	13	12		
2 to 2.9 per cent.....	70	8	17	18	15	11		1
3 to 3.9 per cent.....	47	3	2	18	9	10	4	1
4 to 4.9 per cent.....	34	4	6	7	5	6	3	3
5 to 5.9 per cent.....	17	2	2	3	4	3	1	2
6 to 6.9 per cent.....	19	1	4	4	6	4		
7 to 7.9 per cent.....	6		1	2	3			
8 to 8.9 per cent.....	4		1	1	1	1		
9 to 9.9 per cent.....	5			3	1			1
10 per cent and over.....	13	3	4	2	2	1		1
Total.....	356	39	82	92	70	54	10	9

CREDIT TERMS

A wide variety of terms was employed by furniture, floor-covering, and household-furnishing establishments. Thirty-eight firms, or 10.6 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." This set of terms was used by more firms than any other.

CREDIT TERMS AND BAD-DEBT LOSSES OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS IN 1930

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	9	2.5	0.5
1 per cent 10 days; net 30 days.....	4	1.1	.4
1 per cent 10 days; net 60 days.....	2	.6	.7
2 per cent 10 days; net 30 days.....	38	10.6	.8
2 per cent 10 days; net 60 days.....	24	6.7	1.1
2 per cent tenth prox.; net 30 days.....	15	4.2	1.0
2 per cent tenth prox.; net 60 days.....	18	5.1	1.2
All other.....	175	49.0	.9
Combination of two or more of the above.....	72	20.2	.9
Total.....	357	100.0	.9

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

From the 242 establishments answering the question: "What proportion of your customers attempt to dictate terms?" it was found that 5 per cent of customers attempted to dictate terms. Replies from 252 firms showed that 8.2 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	60	3.7	50	8.6
Manufacturing.....	162	5.7	172	8.3
Wholesale and manufacturing.....	14	3.3	15	3.9
All other.....	6	5.0	6	11.7
SALES VOLUME				
Less than \$100,000.....	22	8.1	22	7.2
\$100,000 to \$249,999.....	59	5.0	61	10.6
\$250,000 to \$499,999.....	60	5.3	64	7.2
\$500,000 to \$999,999.....	47	6.7	50	9.0
\$1,000,000 to \$2,499,999.....	38	2.0	39	7.6
\$2,500,000 to \$4,999,999.....	9	2.4	9	3.8
\$5,000,000 and over.....	7	.9	7	2.1
Total.....	242	5.0	252	8.2

GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 84 gasoline, lubricating-oil, and grease establishments selling direct to retailers, which reported on the subject of extent of credit business, did 69.3 per cent of their total business on credit in 1928, 68.7 per cent on credit in 1929, and 67.4 per cent in 1930.

There were 8 of the 84 firms which did 100 per cent credit business. Five of them were wholesale, one was manufacturing, and two were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	46	258,607	250,862	246,230	-3.0	-1.9	70.6	67.6	65.6	-4.3	-3.0
Manufacturing.....	14	153,687	152,604	133,585	-0.7	-12.5	71.7	67.0	63.9	-6.6	-4.6
Wholesale and manufacturing.....	24	315,728	372,499	356,060	+18.0	-4.4	67.0	70.2	70.0	+4.8	-.3
Total.....	84	728,022	775,965	735,895	+6.6	-5.2	69.3	68.7	67.4	-.9	-1.9

LOSSES FROM BAD DEBTS

The average bad-debt loss for gasoline, lubricating-oil, and grease establishments was 0.1 per cent of net sales in 1928, 0.2 per cent of net sales in 1929, and 0.2 per cent of net sales in 1930.

In grouping individual firms according to the size of their bad-debt-loss percentages for 1930, it was found that there were 29 of them with bad-debt losses less than 0.2 per cent. There were seven firms with 2 per cent or over. The latter firms thus had credit losses more than 10 times as great proportionately as the former.

BAD-DEBT LOSSES OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	46	0.3	52	0.2	56	0.2
Manufacturing.....	15	.2	17	.3	18	.2
Wholesale and manufacturing.....	24	.1	24	.1	26	.2
All other.....			2	1.5	3	1.3
Total.....	85	.1	95	.2	103	.2

GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 to \$24,999,999	\$25,000,000 and over
Less than 0.2 per cent.....	29	3	1		2	3	7	6	7
0.2 to 0.39 per cent.....	23		3	2	4	6	1	2	5
0.4 to 0.59 per cent.....	20	1	1	4	3	7	2	2	
0.6 to 0.79 per cent.....	7		1	1	2	2			
0.8 to 0.99 per cent.....	6		1	3		1			
1 to 1.19 per cent.....	2			1				1	
1.2 to 1.39 per cent.....	2		1	2					
1.4 to 1.59 per cent.....	5	1			1				
1.6 to 1.79 per cent.....	2				1				
2 per cent and over.....	7	1	3	1	2				
Total.....	103	7	11	15	14	22	11	11	12

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for gasoline, lubricating-oil, and grease establishments was 71.4 per cent in 1929 and 68.5 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 42 days in 1929 and 44 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$115,068 in 1929 and \$120,548 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time, per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	30	74.3	72.4	40	41	\$109,589	\$112,329
Manufacturing.....	11	71.0	68.9	42	44	115,068	120,548
Wholesale and manufacturing.....	16	70.6	66.9	42	45	115,068	123,288
Total.....	57	71.4	68.5	42	44	115,068	120,548

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	4	44.7	41.0	\$5,000,000 to \$9,999,999.....	7	60.1	61.9
\$100,000 to \$249,999.....	7	58.0	56.2	\$10,000,000 to \$24,999,999.....	8	76.7	69.1
\$250,000 to \$499,999.....	9	58.7	58.4	\$25,000,000 and over.....	6	72.9	71.4
\$500,000 to \$999,999.....	8	56.4	50.7				
\$1,000,000 to \$4,999,999.....	7	72.0	66.2	Total.....	57	71.4	68.5

RETURNS AND ALLOWANCES

Returns and allowances of gasoline, lubricating-oil, and grease establishments were 0.6 per cent of gross sales in 1928, 0.8 per cent in 1929, and 0.7 per cent in 1930.

The wholesale establishments had 0.6 per cent in 1928, 0.6 per cent in 1929, and 0.6 per cent in 1930. The manufacturing establishments had 0.3 per cent in 1928, 0.3 per cent in 1929, and 0.6 per cent in 1930. The wholesale and manufacturing establishments had 0.7 per cent in 1928, 1.1 per cent in 1929, and 0.7 per cent in 1930.

In grouping firms according to size of their returns and allowances percentages for 1930, it was found that there were 46 firms with less than 0.5 per cent. At the other extreme were six firms with 5 per cent or over—ten times as great proportionately as the former firms.

RETURNS AND ALLOWANCES OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	46	0.6	51	0.6	55	0.6
Manufacturing.....	14	.3	16	.3	17	.6
Wholesale and manufacturing.....	24	.7	24	1.1	26	.7
All other.....			2	6.2	3	3.8
Total.....	84	.6	93	.8	101	.7

GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 to \$24,999,999	\$25,000,000 and over
Less than 0.5 per cent.	46	2	5	8	4	6	7	7	7
0.5 to 0.99 per cent.	14	1	1	1	3	3	1	2	3
1 to 1.49 per cent.	10	1	1	1	3	4	1	1	1
1.5 to 1.99 per cent.	6	1	1	1	2	2	1	1	1
2 to 2.49 per cent.	6	1	1	1	1	1	1	1	1
2.5 to 2.99 per cent.	4	1	1	1	1	1	1	1	1
3 to 3.49 per cent.	2	1	1	1	1	1	1	1	1
3.5 to 3.99 per cent.	1	1	1	1	1	1	1	1	1
4 to 4.49 per cent.	4	1	3	1	1	1	1	1	1
4.5 to 4.99 per cent.	2	1	1	1	1	1	1	1	1
5 per cent and over	6	1	1	3	1	1	1	1	1
Total	101	7	11	15	14	21	10	11	12

CREDIT TERMS

Twenty-one gasoline, lubricating-oil, and grease establishments, or 35.6 per cent of the total reporting on the subject of credit terms, used "1 per cent 10 days; net 30 days." Fourteen firms, or 23.7 per cent of the total, used "no cash discount; net 30 days." Twelve firms, or 20.3 per cent of the total, used "2 per cent 10 days; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS IN 1930

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total sales
No cash discount; net 30 days	14	23.7	0.2
1 per cent 10 days; net 30 days	21	35.6	.2
2 per cent 10 days; net 30 days	12	20.3	.4
2 per cent tenth prox.; net 30 days	1	1.6	.8
All other	11	18.7	.1
Total	59	100.0	.2

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Forty-eight gasoline, lubricating-oil, and grease establishments reported on the subject of customers attempting to dictate terms. The replies showed that 3.3 per cent of customers attempted to dictate terms.

Forty-two firms reported on the subject of customers attempting to take unearned discounts. The replies showed that 5.7 per cent of customers attempted to take unearned discounts. Some firms apparently had a great deal of trouble with the practice. The four firms with annual sales from \$100,000 to \$249,999 had the high average of 22.8 per cent.

PER CENT OF CUSTOMERS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale	25	2.1	21	6.7
Manufacturing	9	2.3	7	2.3
Wholesale and manufacturing	14	5.7	14	6.0
SALES VOLUME				
Less than \$100,000	4	2.3	3	8.0
\$100,000 to \$249,999	6	3.8	4	22.8
\$250,000 to \$499,999	7	2.0	7	3.0
\$500,000 to \$999,999	6	4.5	6	3.8
\$1,000,000 to \$4,999,999	7	8.7	6	.8
\$5,000,000 to \$9,999,999	6	2.2	6	.8
\$10,000,000 to \$24,999,999	8	1.0	6	.8
\$25,000,000 and over	4	.8	4	16.5
Total	48	3.3	42	5.7

HARDWARE AND STOVE ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 244 hardware and stove establishments selling direct to retailers, which reported on the subject of extent of credit business, did 94.4 per cent of total business on credit in 1928, 94.3 per cent on credit in 1929, and 94.4 per cent in 1930. There were 44 of the 244 firms which did 100 per cent credit business. Nine of them were wholesale, 33 were manufacturing, and 2 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF HARDWARE AND STOVE ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	146	186,754	189,376	155,813	+1.4	-17.7	94.7	94.9	94.6	+0.2	-0.3
Manufacturing.....	83	101,885	104,408	80,964	+2.5	-22.5	95.2	95.0	96.2	-.2	+1.3
Wholesale and manufacturing.....	12	9,256	9,224	7,809	-0.4	-15.4	81.6	78.2	75.5	-4.2	-3.5
All other.....	3	2,180	2,227	1,659	+2.2	-25.5	81.3	81.3	79.5	0	-2.2
Total.....	244	300,075	305,235	246,245	+1.7	-19.3	94.4	94.3	94.4	-.1	+1.1

LOSSES FROM BAD DEBTS

The average bad-debt loss for hardware and stove establishments reporting on the subject was 0.5 per cent of net sales in 1928, 0.6 per cent in 1929, and 0.8 per cent in 1930.

In grouping firms according to the size of their bad-debt loss percentages for 1930, it was found that 25 of them had bad-debt losses less than 0.2 per cent. At the other extreme were 24 firms with 2 per cent or over. The latter firms thus had credit losses more than ten times as great proportionately as the former.

BAD DEBT LOSSES OF HARDWARE AND STOVE ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	146	0.5	148	0.6	150	0.8
Manufacturing.....	84	.5	85	.5	85	.7
Wholesale and manufacturing.....	12	.7	12	.6	12	.7
All other.....	3	.8	3	.9	3	1.3
Total.....	245	.5	248	.6	250	.8

HARDWARE AND STOVE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	25	3	7	4	5	4	2	1
0.2 to 0.39 per cent.....	37	2	5	8	11	6	4	1
0.4 to 0.59 per cent.....	44	4	4	8	15	9	3	1
0.6 to 0.79 per cent.....	35	1	3	10	10	8	3	3
0.8 to 0.99 per cent.....	23	1	4	1	7	5	2	1
1 to 1.19 per cent.....	23	3	1	7	6	4	1	1
1.2 to 1.39 per cent.....	12			5	3	2	1	
1.4 to 1.59 per cent.....	13		1	5	6	1		
1.6 to 1.79 per cent.....	9		3	2	2			
1.8 to 1.99 per cent.....	5		2	1	2			
2 per cent and over.....	24	3	7	6	3	4	1	
Total.....	250	17	37	57	70	45	17	7

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for hardware and stove establishments was 44.2 per cent in 1929 and 40.2 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 68 days in 1929 and 75 days in 1930.

The collection percentages also indicate that the amount of accounts receivable that were outstanding at a given time per \$1,000,000 of net sales was \$186,301 in 1929 and \$205,479 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HARDWARE AND STOVE ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time, per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	136	44.3	40.1	68	75	\$186,301	\$205,479
Manufacturing.....	59	43.6	40.2	69	75	189,041	205,479
Wholesale and manufacturing.....	8	52.1	47.2	58	64	158,904	175,342
All other.....	2	35.4	29.8	85	101	232,877	276,712
Total.....	205	44.2	40.2	68	75	186,301	205,479

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HARDWARE AND STOVE ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	7	40.0	38.7	\$2,500,000 to \$4,999,999.....	16	46.5	40.9
\$100,000 to \$249,999.....	29	39.1	36.6	\$5,000,000 and over.....	5	43.8	39.3
\$250,000 to \$499,999.....	47	41.8	37.3	Total.....	205	44.2	40.2
\$500,000 to \$999,999.....	61	45.0	41.6				
\$1,000,000 to \$2,499,999.....	40	43.0	40.2				

RETURNS AND ALLOWANCES

Returns and allowances of hardware and stove establishments were 3.5 per cent of gross sales in 1928, 3.6 per cent of gross sales in 1929, and 3.8 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 27 firms with less than 1 per cent. At the other extreme were four firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF HARDWARE AND STOVE ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	146	3.2	148	3.4	149	3.6
Manufacturing.....	83	4.1	84	3.9	84	4.3
Wholesale and manufacturing.....	12	2.3	12	3.0	12	2.6
All other.....	3	6.5	3	7.4	3	5.1
Total.....	244	3.5	247	3.6	248	3.8

HARDWARE AND STOVE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	27	6	8	2	7	2	2	
1.0 to 1.9 per cent.....	34	3	8	13	9		1	
2 to 2.9 per cent.....	55	6	10	15	12	8	4	
3 to 3.9 per cent.....	53		2	7	23	13	5	3
4 to 4.9 per cent.....	33	2	3	5	7	12	3	1
5 to 5.9 per cent.....	23		2	4	8	6	2	1
6 to 6.9 per cent.....	10			4	2	2	1	1
7 to 7.9 per cent.....	4			3	1			
8 to 8.9 per cent.....	3			1		1		
9 to 9.9 per cent.....	2						1	
10 per cent and over.....	4		2	1				
Total.....	248	17	35	56	70	45	19	6

CREDIT TERMS

Sixty-two hardware and stove establishments or 25.3 per cent of the total reporting on the subject of credit terms used "2 per cent 10 days; net 30 days." Thirty-four firms, or 13.9 per cent of the total, used "2 per cent 10 days; net 60 days." Twenty firms, or 8.2 per cent of the total, used "2 per cent tenth prox.; net 30 days." Nineteen firms, or 7.8 per cent of the total, used "2 per cent tenth prox.; net 60 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF HARDWARE AND STOVE ESTABLISHMENTS IN 1930

Set of terms	Estab-lishments using terms most com-monly	Per cent of total estab-lish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	4	1.6	0.3
No cash discount; net 60 days.....	2	.8	2.2
1 per cent 10 days; net 30 days.....	5	2.0	.7
2 per cent 10 days; net 30 days.....	62	25.3	.8
2 per cent 10 days; net 60 days.....	34	13.9	.6
2 per cent tenth prox.; net 30 days.....	20	8.2	.8
2 per cent tenth prox.; net 60 days.....	19	7.8	1.0
All other.....	14	5.7	1.2
Combination of 2 or more of the above.....	85	34.7	.9
Total.....	245	100.0	.8

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

One hundred and seventy-two hardware and stove establishments reported on the subject of customers attempting to dictate terms. The replies showed that 3.1 per cent of customers attempted to dictate terms.

One hundred and seventy-five firms reported on the subject of customers attempting to take unearned discounts. The replies showed that 3.3 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF HARDWARE AND STOVE ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic-tate terms		Attempting to take unearned discounts	
	Firms re-ported	Per cent of customers	Firms re-ported	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	113	2.9	117	2.6
Manufacturing.....	50	3.9	51	4.8
Wholesale and manufacturing.....	8	.6	6	5.8
All other.....	1	1.0	1	1.0
SALES VOLUME				
Less than \$100,000.....	6	1.3	6	5.5
\$100,000 to \$249,999.....	27	4.9	26	4.4
\$250,000 to \$499,999.....	40	2.9	41	3.2
\$500,000 to \$999,999.....	50	3.2	51	4.4
\$1,000,000 to \$2,499,999.....	31	2.6	33	1.8
\$2,500,000 to \$4,999,999.....	14	1.9	13	1.2
\$5,000,000 and over.....	4	.3	5	.6
Total.....	172	3.1	175	3.3

HEATING AND PLUMBING SUPPLY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 207 heating and plumbing supply establishments selling direct to retailers and reporting on the subject of extent of credit business for the years 1928, 1929, and 1930, did 97.2 per cent of total business on credit in 1928, 97 per cent in 1929, and 96.6 per cent in 1930.

There were 26 of the 207 firms which did 100 per cent credit business. Nine of them were wholesale and 17 were manufacturing.

EXTENT OF CREDIT BUSINESS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS, 1928-1930

Type of business	Number of estab-lish-ments	Total net sales, in thousands of dollars					Per cent of total gross sales or credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	128	142, 116	146, 743	115, 453	+3.3	-21.3	95.1	94.8	94.3	-0.3	-0.5
Manufacturing.....	58	160, 061	168, 442	129, 274	+5.2	-23.3	97.9	97.8	97.7	-.1	-.1
Wholesale and man-ufacturing.....	16	89, 743	82, 472	50, 154	-8.1	-39.2	99.0	98.9	98.7	-.1	-.2
All other.....	5	3, 158	3, 487	2, 669	+10.4	-23.5	98.0	98.2	97.9	+2	-3
Total.....	207	395, 078	401, 144	297, 550	+1.5	-25.8	97.2	97.0	96.6	-.2	-.4

LOSSES FROM BAD DEBTS

The average bad-debt loss for the heating and plumbing supply establishments reporting on the subject was 0.6 per cent of net sales in 1928, 0.8 per cent in 1929, and 0.9 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.8 per cent in 1928, 1 per cent in 1929, and 1.1 per

cent in 1930. Those classifying themselves as manufacturing had 0.6 per cent in 1928, 0.5 per cent in 1929, and 0.7 per cent in 1930. Those classifying themselves as wholesale and manufacturing had 0.2 per cent in 1928, 0.7 per cent in 1929, and 0.7 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 29 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 19 firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF HEATING AND PLUMBING ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	126	0.8	132	1.0	136	1.1
Manufacturing.....	57	.6	57	.5	58	.7
Wholesale and manufacturing.....	15	.2	15	.7	15	.7
All other.....	4	.6	6	.6	6	.4
Total.....	202	.6	210	.8	215	.9

HEATING AND PLUMBING SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over	
Less than 0.2 per cent.....	29	2	12	4	3	5	3		
0.2 to 0.39 per cent.....	27	1	8	3	8	6	1		
0.4 to 0.59 per cent.....	39	2	8	9	9	7	1		
0.6 to 0.79 per cent.....	17	1	2	8	2	2	2		3
0.8 to 0.99 per cent.....	17	1	3	4	5	1	1		2
1 to 1.19 per cent.....	13	2	1	5	2	3			
1.2 to 1.39 per cent.....	12		2	3	4	2	1		
1.4 to 1.59 per cent.....	6			2	2	4			
1.6 to 1.79 per cent.....	10		1	3	4	2			
1.8 to 1.99 per cent.....	8	2	1	2			1		
2 to 2.19 per cent.....	7	2	4		1				
2.2 to 2.39 per cent.....	3	1				1			
2.4 to 2.59 per cent.....	3			1	1		1		
2.6 to 2.79 per cent.....	4	1	2			1			
2.8 to 2.99 per cent.....	1		1						
3 per cent and over.....	19	1	3	6	7	2			
Total.....	215	16	48	50	49	34	11		7

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for heating and plumbing supply establishments was 49.9 per cent in 1929 and 49.2 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 60 days in 1929 and 61 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$164,384 in 1929 and \$167,123 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time, per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	114	49.4	47.9	61	63	\$167,123	\$172,603
Manufacturing.....	38	52.6	53.9	57	56	158,164	153,425
Wholesale and manufacturing.....	13	47.7	46.3	63	65	172,603	178,082
All other.....	4	39.9	39.0	75	77	205,479	210,959
Total.....	169	49.9	49.2	60	61	164,384	167,123

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HEATING AND PLUMBING ESTABLISHMENTS IN 1929 AND 1930 GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	5	30.3	31.3	\$2,500,000 to \$4,999,999.....	11	56.5	57.4
\$100,000 to \$249,999.....	30	38.8	36.9	\$5,000,000 and over.....	4	52.4	52.1
\$250,000 to \$499,999.....	42	40.1	37.0				
\$500,000 to \$999,999.....	46	47.2	44.1	Total.....	169	49.9	49.2
\$1,000,000 to \$2,499,999.....	31	48.2	50.1				

RETURNS AND ALLOWANCES

Returns and allowances of heating and plumbing supply establishments were 5.5 per cent of gross sales in 1928, 5.3 per cent in 1929, and 5.3 per cent in 1930.

The wholesale establishments had 3.9 per cent in 1928, 4 per cent in 1929, and 4 per cent in 1930. The manufacturing had 4.4 per cent in 1928, 3.4 per cent in 1929, and 3.7 per cent in 1930. The wholesale and manufacturing firms had 10.3 per cent in 1928, 11.5 per cent in 1929, and 12.5 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 34 firms with less than 1 per cent. At the other extreme were nine firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	129	3.9	133	4.0	137	4.0
Manufacturing.....	57	4.4	57	3.4	58	3.7
Wholesale and manufacturing.....	16	10.3	16	11.5	16	12.5
All other.....	5	2.6	6	2.8	6	4.3
Total.....	207	5.5	212	5.3	217	5.3

HEATING AND PLUMBING SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	34	2	13	7	3	6	1	2
1 to 1.9 per cent.....	33	7	14	5	3	3	1	1
2 to 2.9 per cent.....	28	2	6	8	9	2	1	1
3 to 3.9 per cent.....	38	1	8	13	8	4	3	1
4 to 4.9 per cent.....	31	1	2	6	13	7	2	1
5 to 5.9 per cent.....	19	2	1	2	4	8	1	1
6 to 6.9 per cent.....	12	1	3	6	3	2	1	1
7 to 7.9 per cent.....	6	1	2	2	1	1	1	1
8 to 8.9 per cent.....	4	1	1	1	1	1	1	1
9 to 9.9 per cent.....	3	1	1	1	1	1	1	1
10 per cent and over.....	9	1	3	1	1	1	1	1
Total.....	217	16	48	50	51	34	11	7

CREDIT TERMS

Forty-eight heating and plumbing supply establishments, or 23 per cent of the total reporting on the subject of credit terms, used "2 per cent tenth prox.; net 30 days." Thirty-four firms, or 16.3 per cent of the total, used "2 per cent tenth prox.; net 60 days." Thirty-four firms used "2 per cent 10 days; net 30 days." Eleven firms, or 5.3 per cent of the total, used "2 per cent 10 days; net 60 days."

CREDIT TERMS AND LOSSES FROM BAD DEBTS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS IN 1930

Set of terms	Estab- lish- ments using terms most com- monly	Per cent of total estab- lish- ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	6	2.9	0.6
1 per cent 10 days; net 30 days.....	6	2.9	.5
2 per cent 10 days; net 30 days.....	34	16.3	.7
2 per cent 10 days; net 60 days.....	11	5.3	1.0
2 per cent tenth prox.; net 30 days.....	48	23.0	.7
2 per cent tenth prox.; net 60 days.....	34	16.3	.9
All other.....	17	8.0	.9
Combination of 2 or more of the above.....	53	25.3	1.0
Total.....	209	100.0	.9

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

One hundred and forty-eight heating and plumbing supply establishments reported on the subject of customers attempting to dictate terms. The replies show that 5 per cent of customers attempted to dictate terms.

One hundred and fifty-one firms reported on the subject of customers attempting to take unearned discounts. The replies show that 5.3 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic- tate terms		Attempting to take unearned discounts	
	Firms re- porting	Per cent of customers	Firms re- porting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	99	4.4	104	5.9
Manufacturing.....	34	7.9	32	5.1
Wholesale and manufacturing.....	11	3.6	11	2.1
All other.....	4	.8	4	.5
SALES VOLUME				
Less than \$100,000.....	5	7.2	5	.8
\$100,000 to \$249,999.....	26	1.8	26	8.5
\$250,000 to \$499,999.....	38	12.2	38	8.2
\$500,000 to \$999,999.....	40	3.3	41	3.7
\$1,000,000 to \$2,499,999.....	26	1.4	28	2.8
\$2,500,000 to \$4,999,999.....	10	2.8	10	3.7
\$5,000,000 and over.....	3	.3	3	.7
Total.....	148	5.0	151	5.3

JEWELRY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 71 jewelry establishments reporting on the subject of extent of credit business for the years 1928, 1929, and 1930 did 91.5 per cent of total business on credit in 1928, 91.9 per cent in 1929, and 91.5 per cent in 1930.

Twenty-two of the 71 firms did 100 per cent credit business. Six of them were wholesale, 14 were manufacturing, and 2 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF JEWELRY ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales in thousands of dollars			Per cent change		Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930			1928	1929	1930		1929 over 1928	1930 over 1929
Wholesale	40	24,378	27,048	20,764	+11.0	-23.2	86.2	87.6	87.2	+1.6	-0.5	
Manufacturing	25	16,033	15,608	11,511	-2.7	-26.3	99.2	99.3	99.3	+1.1	0	
Wholesale and manufacturing	6	2,908	2,872	2,028	-1.2	-29.4	94.7	94.9	94.2	+2	-7	
Total	71	43,319	45,528	34,303	+5.1	-24.7	91.5	91.9	91.5	+4	-4	

LOSSES FROM BAD DEBTS

The average bad-debt loss for jewelry establishments reporting on the subject was 0.7 per cent of net sales in 1928, 0.9 per cent in 1929, and 1.5 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.8 per cent in 1928, 1.2 per cent in 1929, and 1.7 per cent in 1930. Those classifying themselves as manufacturing had an average of 0.5 per cent in 1928, 0.5 per cent in 1929, and 1 per cent in 1930. Those classifying themselves as wholesale and manufacturing had an average of 1.2 per cent in 1928, 1.3 per cent in 1929, and 1.6 per cent in 1930.

In grouping the firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 15 of them with less than 0.5 per cent. There were eight with 4 per cent or over. The latter firms had credit losses more than eight times as great proportionately as the former.

BAD-DEBT LOSSES OF JEWELRY ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale	41	0.8	41	1.2	41	1.7
Manufacturing	25	.5	27	.5	27	1.0
Wholesale and manufacturing	7	1.2	7	1.3	7	1.6
Total	73	.7	75	.9	75	1.5

JEWELRY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.5 per cent	15	6	2	5	2
0.5 to 0.99 per cent	12	2	5	5	2
1 to 1.49 per cent	12	2	7	1	2
1.5 to 1.99 per cent	7	1	3	1	2
2 to 2.49 per cent	7	3	1	2	1
2.5 to 2.99 per cent	5	1	2	1	1
3 to 3.49 per cent	5	4			1
3.5 to 3.99 per cent	4	2			
4 per cent and over	8	4			
Total	75	25	26	15	9

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for jewelry establishments was 30.2 per cent in 1929 and 29.1 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding was 99 days in 1929 and 103 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$271,233 in 1929 and \$282,192 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF JEWELRY ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale	32	25.7	25.5	117	118	\$320,548	\$323,288
Manufacturing	19	41.8	40.4	72	74	197,260	202,740
Wholesale and manufacturing	4	23.2	20.8	129	144	353,425	394,521
Total	55	30.2	29.1	99	103	271,233	282,192

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF JEWELRY ESTABLISHMENTS, 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year	
		1929	1930
Less than \$100,000	15	28.7	23.8
\$100,000 to \$499,999	20	25.2	24.0
\$500,000 to \$999,999	12	36.4	35.3
\$1,000,000 and over	8	29.0	28.2
Total	55	30.2	29.1

RETURNS AND ALLOWANCES

Returns and allowances of jewelry establishments reporting on the subject were 6.2 per cent of gross sales in 1928, 7.4 per cent in 1929, and 9.2 per cent in 1930.

The wholesale establishments had 7.6 per cent in 1928, 9.3 per cent in 1929, and 11.1 per cent in 1930. The manufacturing establishments had 4.1 per cent in 1928, 4.5 per cent in 1929, and 6.2 per cent in 1930. The wholesale and manufacturing establishments had 4.5 per cent in 1928, 5 per cent in 1929, and 6.1 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 16 firms with less than 1 per cent. There were 10 firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF JEWELRY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	41	7.6	40	9.3	40	11.1
Manufacturing.....	25	4.1	27	4.5	27	6.2
Wholesale and manufacturing.....	7	4.5	7	5.0	7	6.1
Total.....	73	6.2	74	7.4	74	9.2

JEWELRY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 1 per cent.....	16	10	5	1	-----
1 to 1.9 per cent.....	4	1	2	-----	1
2 to 2.9 per cent.....	5	3	1	1	-----
3 to 3.9 per cent.....	8	1	6	1	-----
4 to 4.9 per cent.....	9	4	2	2	1
5 to 5.9 per cent.....	5	3	2	-----	-----
6 to 6.9 per cent.....	2	-----	2	1	1
7 to 7.9 per cent.....	5	-----	2	2	1
8 to 8.9 per cent.....	5	-----	1	2	2
9 to 9.9 per cent.....	5	-----	3	1	1
10 per cent and over.....	10	2	2	4	2
Total.....	74	24	26	15	9

CREDIT TERMS

Nine jewelry establishments, or 12 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." More firms used this set of terms than any other. There were 41 firms, or 54.8 per cent of the total, which most commonly used terms other than those listed on the questionnaire. On the whole the terms used by these firms allowed larger cash discounts or longer periods in which to pay than the sets of terms listed.

CREDIT TERMS AND BAD-DEBT LOSSES OF JEWELRY ESTABLISHMENTS IN 1930

Set of terms	Estab- lish- ments using terms most com- monly	Per cent of total establish- ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	4	5.3	1.4
No cash discount; net 60 days.....	1	1.3	1.0
2 per cent 10 days; net 30 days.....	9	12.0	1.4
2 per cent 10 days; net 60 days.....	1	1.3	.5
2 per cent tenth prox.; net 30 days.....	1	1.3	.1
2 per cent tenth prox.; net 60 days.....	1	1.3	.5
All other.....	41	54.8	2.1
Combination of 2 or more of the above.....	17	22.7	.9
Total.....	75	100.0	1.5

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Forty-four jewelry establishments reported on the subject of customers attempting to dictate terms. The replies show that 8.1 per cent of customers attempted to dictate terms.

Forty-four firms reported on the subject of customers attempting to take unearned discounts. The replies show that 18 per cent attempted to take unearned discounts. The 12 firms in the size group with annual sales less than \$100,000 had the high average of 34.2 per cent.

PER CENT OF CUSTOMERS OF JEWELRY ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages, i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic- tate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of cus- tomers	Firms reporting	Per cent of cus- tomers
TYPE OF ESTABLISHMENTS				
Wholesale.....	27	7.5	26	20.7
Manufacturing.....	14	11.0	15	16.4
Wholesale and manufacturing.....	3	.3	3	2.0
SALES VOLUME				
Less than \$100,000.....	12	8.6	12	34.2
\$100,000 to \$499,999.....	17	8.6	16	19.1
\$500,000 to \$999,999.....	9	6.1	10	3.1
\$1,000,000 and over.....	6	8.8	6	7.3
Total.....	44	8.1	44	18.0

LEATHER AND LUGGAGE ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 43 leather and luggage establishments selling direct to retailers reporting on the subject of extent of credit business for the years 1928, 1929, and 1930, did 98.4 per cent of total business on credit in 1928, 98.5 per cent in 1929, and 98.1 per cent in 1930.

There were 11 of the 43 firms which did 100 per cent credit business. Four of them were wholesale, six were manufacturing, and one was wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF LEATHER AND LUGGAGE ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	16	25,864	27,388	20,469	+5.9	-25.3	99.1	99.2	99.0	+0.1	-0.2
Manufacturing.....	22	19,901	20,227	14,379	+1.6	-28.9	98.0	98.2	97.4	+0.2	-0.8
Wholesale and manufacturing.....	5	1,948	1,844	1,427	-5.3	-22.6	92.9	91.7	91.3	-1.3	-0.4
Total.....	43	47,713	49,459	36,275	+3.7	-26.7	98.4	98.5	98.1	+0.1	-0.4

LOSSES FROM BAD DEBTS

The average bad-debt loss for leather and luggage establishments reporting on the subject was 0.3 per cent of net sales in 1928, 0.3 per cent in 1929, and 0.5 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.2 per cent in 1928, 0.2 per cent in 1929, and 0.4 per cent in 1930. Those classifying themselves as manufacturing had an average of 0.3 per cent in 1928, 0.4 per cent in 1929, and 0.6 per cent in 1930. Those classifying themselves as wholesale and manufacturing had an average of 1.9 per cent in 1928, 0.8 per cent in 1929, and 0.9 per cent in 1930.

In grouping firms according to the size of their bad-debt loss percentages for 1930, it was found that there were eight of them with less than 0.2 per cent. At the other extreme were three with 3 per cent or more. The latter firms had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF LEATHER AND LUGGAGE ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	17	0.2	18	0.2	19	0.4
Manufacturing.....	23	.3	24	.4	25	.6
Wholesale and manufacturing.....	5	1.9	5	.8	5	.9
All others.....	1	.2	1	.4	1	.008
Total.....	46	.3	48	.3	50	.5

LEATHER AND LUGGAGE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.2 per cent.....	8	3	2	1	1	2
0.2 to 0.39 per cent.....	7	1	2	1	1	2
0.4 to 0.59 per cent.....	7	2	3	1	1	1
0.6 to 0.79 per cent.....	4	1	1	1	1	1
0.8 to 0.99 per cent.....	2	1	1	1	1	1
1 to 1.19 per cent.....	5	1	3	2	1	1
1.2 to 1.39 per cent.....	4	1	1	2	1	1
1.4 to 1.59 per cent.....	4	1	1	3	1	1
1.6 to 1.79 per cent.....	1	1	1	1	1	1
2 to 2.19 per cent.....	3	2	1	1	1	1
2.2 to 2.39 per cent.....	1	1	1	1	1	1
2.6 to 2.79 per cent.....	1	1	1	1	1	1
3 per cent and over.....	3	1	1	1	1	1
Total.....	50	12	16	9	5	8

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for leather and luggage establishments was 51.4 per cent in 1929 and 51.3 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding; that is, the average length of time wholesalers and manufacturers had their dollars tied up in accounts receivable was 58 days in 1929 and the same number of days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$158,904 in 1929 and the same amount in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF LEATHER AND LUGGAGE ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	13	62.1	64.2	48	47	\$131,507	\$128,767
Manufacturing.....	15	34.5	32.8	87	91	238,356	249,315
Wholesale and manufacturing.....	5	34.1	31.7	88	95	241,096	260,274
Total.....	33	51.4	51.3	58	58	158,904	158,904

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF LEATHER AND LUGGAGE ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year	
		1929	1930
Less than \$100,000.....	6	38.0	33.6
\$100,000 to \$249,999.....	10	41.4	35.0
\$250,000 to \$499,999.....	7	45.1	38.2
\$500,000 to \$999,999.....	3	30.9	28.4
\$1,000,000 and over.....	7	66.8	60.3
Total.....	33	51.4	51.3

RETURNS AND ALLOWANCES

Returns and allowances of leather and luggage establishments were 4.2 per cent of gross sales in 1928, 4.6 per cent in 1929, and 4.7 per cent in 1930.

The wholesale establishments had 5.6 per cent in 1928, 5.9 per cent in 1929, and 5.9 per cent in 1930. The manufacturing establishments had 2.2 per cent in 1928, 2.7 per cent in 1929, and 2.9 per cent in 1930. The wholesale and manufacturing establishments had 4.1 per cent in 1928, 4.5 per cent in 1929, and 4 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were seven firms with less than 1 per cent. At the other extreme were 13 firms with 5 per cent or over. The latter firms had returns and allowances five times as great proportionately as the former.

RETURNS AND ALLOWANCES OF LEATHER AND LUGGAGE ESTABLISHMENTS 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	17	5.6	17	5.9	18	5.9
Manufacturing.....	23	2.2	24	2.7	25	2.9
Wholesale and manufacturing.....	5	4.1	5	4.5	5	4.0
Total.....	45	4.2	46	4.6	48	4.7

LEATHER AND LUGGAGE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)				
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 1 per cent.....	7	2	3			2
1 to 1.9 per cent.....	7	4	3			
2 to 2.9 per cent.....	10	4	4	1	1	
3 to 3.9 per cent.....	6		1	4	1	
4 to 4.9 per cent.....	5		1	2		2
5 to 5.9 per cent.....	7		1	2	2	2
6 to 6.9 per cent.....	3	1			1	
8 to 8.9 per cent.....	2		1			1
10 per cent and over.....	1					1
Total.....	48	12	14	9	5	8

CREDIT TERMS

Nineteen leather and luggage establishments, or 39.6 per cent of the total reporting on the subject of credit terms, used "2 per cent 10 days; net 30 days." Four firms, or 8.3 per cent of the total, used "2 per cent 10 days; net 60 days." Four firms used "2 per cent tenth prox.; net 60 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF LEATHER AND LUGGAGE ESTABLISHMENTS IN 1930

Set of terms	Estab-lish-ments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total sales
1 per cent 10 days; net 30 days.....	2	4.2	0.4
2 per cent 10 days; net 30 days.....	19	39.6	1.3
2 per cent 10 days; net 60 days.....	4	8.3	.7
2 per cent tenth prox.; net 30 days.....	2	4.2	.5
2 per cent tenth prox.; net 60 days.....	4	8.3	1.3
All other.....	12	25.0	.3
Combination of 2 or more of the above.....	5	10.4	1.3
Total.....	48	100.0	.5

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Twenty-three leather and luggage establishments reported on the subject of customers attempting to dictate terms. The replies show that 14.6 per cent of customers attempted to dictate terms. The three firms in the size group with annual sales less than \$100,000 had the very high average of 33.7 per cent.

Twenty-seven leather and luggage firms reported on the subject of customers attempting to dictate terms. The replies show that 16.3 per cent of customers attempted to take unearned discounts. The five firms in the size group with annual sales less than \$100,000 had the very high average of 26 per cent.

PER CENT OF CUSTOMERS OF LEATHER AND LUGGAGE ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	9	22.6	10	23.4
Manufacturing.....	12	10.9	14	12.5
Wholesale and manufacturing.....	2	.5	3	10.3
SALES VOLUME				
Less than \$100,000.....	3	33.7	5	26.0
\$100,000 to \$249,999.....	8	24.3	8	17.5
\$250,000 to \$499,999.....	6	3.3	7	19.6
\$500,000 to \$999,999.....	1	0	1	1.0
\$1,000,000 and over.....	5	3.8	6	5.3
Total.....	23	14.6	27	16.3

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MERCANTILE CREDIT SURVEY

PART III

INCLUDING SUMMARY FOR TWENTY-FIVE LINES OF TRADE



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FOREWORD

The Mercantile Credit Survey is the outgrowth of several conferences held during 1930 between representatives of the Department of Commerce and credit men throughout the country. It was undertaken at the request of the National Association of Credit Men and was made with the active cooperation of its 140 affiliated associations. More than 6,000 wholesale and manufacturing firms cooperated by giving data reflecting their credit policies. The purpose of the survey was to secure a fund of factual information which will serve as a background for sound credit policies on the part of wholesalers and manufacturers in their dealings with retailers.

The important part played by credit in distribution is indicated by the fact that the credit sales of the 5,783 establishments reporting on the subject for the 3-year period were 90.7 per cent of total net sales in 1928, 90.4 per cent in 1929, and 89.4 per cent in 1930. There were 1,371 of the 5,783 firms, or 23.7 per cent, which did 100 per cent credit business.

While the figures presented herein for the years 1928, 1929, and 1930 seem to indicate that, on the whole, the credit extended by wholesalers and manufacturers selling direct to retailers was on a sound basis, at the same time they also indicate that numerous firms were probably carrying on their business without proper regard for sound principles of credit. Some of these firms had bad-debt losses two or three times as great as the average for firms in the same kind of business. Their collection percentages were half the average, which means that the number of days their accounts receivable were outstanding was twice the average and the amount of money on the books at a given time for the same volume of business was also twice the average. Their returns and allowance percentages were two or three times as great as they should have been. The profits of these concerns were literally being eaten up by the costs involved in carrying overdue accounts, in losses through uncollectible outstandings, and an unusually high percentage of returned merchandise. One of the effects of the type of management reflected in such figures is to nourish a group of inefficient retailers who are a wasteful burden on the distribution system.

The National Association of Credit Men was represented in the conduct of the survey by Henry H. Heimann, executive manager and former president; David A. Weir, assistant executive manager; and Lawrence Whitty, former president.

The survey was made under the general direction of Dr. Frank M. Surface, assistant director, and H. C. Dunn, chief of the Merchandising Research Division, Bureau of Foreign and Domestic Commerce. Dr. W. C. Plummer, of the Wharton School of Finance and Commerce, University of Pennsylvania, who is retained by the Department of Commerce in connection with its credit researches, was responsible for the preparation of this report. H. T. LaCrosse, of the Merchandising Research Division, assisted in the work. Dr. Theodore N. Beckman and Dr. Frank A. Fall gave the benefit of their advice in the formulation of the questionnaire and on various other matters.

FREDERICK M. FEIKER, *Director,*
Bureau of Foreign and Domestic Commerce.

NOVEMBER, 1932.

MERCANTILE CREDIT SURVEY—PART III

INTRODUCTION

This report is based on information derived from questionnaires sent to firms selling direct to retailers and located in all sections of the country. Names and addresses of firms were supplied by the 140 associations affiliated with the National Association of Credit Men. Each association was asked to supply a list of names totaling at least twice its membership and including all the principal lines of trade.

The business houses which received the questionnaires were told, on account of the confidential nature of the information requested, that the Department of Commerce wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of business in each part of the country; and that the facts regarding any individual business would not be subject to the use of any other Government department, credit association, or other agency, nor could any other report made by it be checked against this report.

The results of the survey are published in three parts, Part I and Part II, each containing data for nine and Part III for seven lines of trade. Part III also contains summary material for all lines of trade.

Part III contains material for seven kinds of establishments and a miscellaneous group: Lumber and building materials; music (musical instruments and musical merchandise); paint, oil, varnish, and wall paper; paper and paper products; rubber—mechanical rubber goods, such as belting, hose, and packing; tobacco products; and women's wear, millinery, and gloves.

The nine kinds of establishments included in Part I of this report are: Agricultural implements; athletic and sporting goods; automotive supplies, including tires; books and stationery; clothing, hats, caps, and gloves (men's wear); coal and coke; confectionery (candy and soda-fountain supplies); drugs and toilet articles and drug sundries; and dry goods and notions.

The nine kinds included in Part II are: Electrical and radio supplies; food products; footwear; furniture, floor coverings, and household furnishings; gasoline, lubricating oil, and greases; hardware and stoves; heating and plumbing supplies; jewelry; and leather and luggage.

Data upon the following subjects are given for each kind of establishment: Extent of credit business, losses from bad debts, collection percentages, returns and allowances, credit terms, customers attempting to take unearned discounts, and customers attempting to dictate terms.

In presenting this information, averages are worked out for the various groups. Such averages are significant, but do not give as much information as is sometimes desired; consequently, frequency tables are given showing the number and distribution of individual firms in the various groups. The aim has been to present the data in such form that the individual firm can compare its own experience with that of similar establishments.

The words "wholesale," "wholesaler," "wholesaling establishment," "manufacturing," "manufacturer," and "manufacturing

establishment" are not used according to highly refined definitions of these terms. Each firm classified itself with respect to type and kind of business; consequently, these words are used in the way that they are commonly employed by those engaged in the various lines of business. The questions asking the firm to classify itself were as follows:

I. Check type of business.

Wholesale.

Manufacturing, selling direct to retailers.

Commission house, selling direct to retailers.

II. Check kind of business establishment.

1. Agricultural implements.
2. Athletic and sporting goods.
3. Automotive supplies, including tires.
4. Books and stationery.
5. Clothing, hats, caps, and gloves (men's wear).
6. Coal and coke.
7. Confectionery (candy and soda-fountain supplies).
8. Drugs and toilet articles and drug sundries.
9. Dry goods and notions.
10. Electrical and radio supplies.
11. Food products.
12. Footwear.
13. Furniture, floor coverings, and household furnishings.
14. Gasoline, lubricating oil, and greases.
15. Hardware and stoves.
16. Heating and plumbing supplies.
17. Jewelry.
18. Leather and luggage.
19. Lumber and building materials.
20. Music (musical instruments and musical merchandise).
21. Paint, oil, varnish, and wall paper.
22. Paper and paper products.
23. Rubber: Mechanical rubber goods, such as belting, hose, and packing.
24. Tobacco products.
25. Women's wear, millinery, and gloves.
26. If your establishment can not be classified under any of the above lines of trade, specify your kind of business.

SUMMARY, ALL LINES OF TRADE

EXTENT OF CREDIT

The credit sales of 5,783 establishments selling direct to retailers, representing all lines of trade in all sections of the country, were 90.7 per cent of total net sales in 1928, 90.4 per cent in 1929, and 89.4 per cent in 1930.

Included in the 5,783 establishments were 2,407 which classified themselves as wholesale; 2,577 as manufacturing; 68 as commission house; 645 as wholesale and manufacturing; 53 as wholesale and commission house; 18 as manufacturing and commission house; and 15 as wholesale, manufacturing, and commission house.

There were 1,371 of the 5,783 firms, or 23.7 per cent, which did 100 per cent credit business. Three hundred and twenty-one were wholesale, 905 manufacturing, 13 commission house, 119 wholesale and manufacturing, 9 wholesale and commission house, 3 manufacturing and commission house, and 1 wholesale, manufacturing, and commission house.

The total net sales of the 5,783 firms were \$8,869,214,000 in 1928, \$9,353,988,000 in 1929, and \$7,893,146,000 in 1930. These figures show that in 1929 sales increased 5.5 per cent over those of 1928, and that in 1930 sales decreased 15.6 per cent from those of 1929.

EXTENT OF CREDIT BUSINESS OF WHOLESALE AND MANUFACTURING ESTABLISHMENTS SELLING DIRECT TO RETAILERS, 1928, 1929, AND 1930

Kind of establishment	Number of establishments	Total net sales, in thousands of dollars			Per cent of total gross sales on credit, in weighted averages		
		1928	1929	1930	Per cent change		
					1928 over 1927	1929 over 1928	1930 over 1929
Agricultural implements.....	43	40,789	45,774	40,424	-11.7	+12.3	-0.4
Athletic and sporting goods.....	33	42,158	44,817	40,177	-10.4	+6.3	-1.1
Automotive supplies, including tires.....	284	316,963	333,295	236,066	-29.2	+5.1	-1.1
Books and stationery.....	67	53,157	55,618	51,977	-6.6	+4.0	-1.2
Clothing, hats, caps, and gloves (men's wear).....	239	274,897	282,523	223,348	-21.0	+2.9	-0.5
Coal and coke.....	85	100,270	174,825	138,879	-10.6	+10.5	-1.9
Confectionery.....	233	298,916	280,663	266,464	-5.2	+5.2	-0.4
Drugs and toilet articles and drug sundries.....	113	221,746	227,379	187,407	-17.6	+12.5	-0.8
Dry goods and notions.....	213	345,655	386,911	305,278	-21.7	+12.8	-0.8
Electrical and radio supplies.....	136	332,163	338,740	284,371	-15.0	+12.6	-2.2
Food products.....	346	738,027	775,967	735,866	-5.2	+6.6	-1.9
Footwear.....	204	306,077	305,238	246,247	-19.3	+1.7	-1.9
Furniture, floor coverings, and household furnishings.....	247	43,319	46,928	297,552	-10.3	+1.5	-1.4
Gasoline, lubricating oil, and greases.....	207	47,713	49,939	34,303	-24.7	+5.1	-1.4
Hardware and plumbing supplies.....	244	300,077	305,238	246,247	-19.3	+1.7	-1.9
Heating and plumbing supplies.....	71	43,319	46,928	34,303	-24.7	+5.1	-1.4
Jewelry.....	43	42,158	44,817	40,177	-10.4	+6.3	-1.1
Leather and luggage.....	32	40,789	45,774	40,424	-11.7	+12.3	-0.4
Lumber and building materials.....	155	208,070	223,907	190,562	-8.6	+7.6	-4.8
Music (musical instruments and musical merchandise).....	32	42,158	44,817	40,177	-10.4	+6.3	-1.1
Paint, oil, varnish, and wall paper.....	257	280,642	291,256	258,797	-9.3	+3.8	-1.8
Paper and paper products.....	31	25,508	26,123	19,322	-26.0	+2.4	-0.9
Rubber (mechanical rubber goods, such as belting, hose, and packing).....	89	143,658	154,368	136,191	-6.8	+10.1	-1.5
Tobacco products.....	131	143,658	154,368	136,191	-6.8	+10.1	-1.5
Women's wear, millinery, and gloves.....	1,314	1,791,700	1,972,571	1,468,886	-18.7	+5.5	-3.3
Miscellaneous.....	5,783	8,869,214	9,353,988	7,893,146	-15.6	+5.5	-1.1
Total.....							

BAD-DEBT LOSSES

The weighted average bad-debt loss for all establishments reporting on the subject (sum of total net sales of all establishments divided into sum of bad-debt losses of all establishments) was 0.4 per cent in 1928 (5,849 reporting), 0.4 per cent in 1929 (6,121 reporting), and 0.6 per cent in 1930 (6,275 reporting). In 1930 the range was from 0.2 per cent for coal and coke establishments and for gasoline, lubricating-oil, and grease establishments, to 1.5 per cent for jewelry establishments.

For many purposes, it is desirable to have a bad-debt loss percentage based on net credit sales in addition to, or in place of, one based on total net sales. However, in view of the fact that a large percentage of firms do not segregate their returns and allowances on cash and credit sales, thus making it impossible to arrive at a net credit sales figure, a bad-debt loss percentage based on net credit sales could not be secured.

BAD-DEBT LOSSES OF WHOLESALE AND MANUFACTURING ESTABLISHMENTS IN 1928, 1929, AND 1930

Kind of business	Ratio of bad debts to total sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Agricultural implements.....	41	0.4	42	0.5	43	0.6
Athletic and sporting goods.....	31	.7	32	.4	34	.7
Automotive supplies, including tires.....	229	.4	250	.4	259	1.0
Books and stationery.....	67	.3	72	.4	72	.4
Clothing, hats, caps, and gloves (men's wear).....	235	.7	246	.7	252	1.2
Coal and coke.....	84	.2	86	.2	88	.2
Confectionery (candy and soda fountain supplies).....	223	.6	232	.6	241	.7
Drugs and toilet articles and drug sundries.....	149	.4	153	.4	155	.7
Dry goods and notions.....	121	.5	127	.5	131	.9
Electrical and radio supplies.....	216	.4	229	.5	235	.7
Food products.....	921	.3	983	.2	1,018	.3
Footwear.....	136	.7	141	.6	143	1.0
Furniture, floor coverings, and household furnishings.....	350	.5	354	.6	358	.9
Gasoline, lubricating oil, and greases.....	85	.1	95	.2	103	.2
Hardware and stoves.....	245	.5	248	.6	250	.8
Heating and plumbing supplies.....	202	.6	210	.8	215	.9
Jewelry.....	73	.7	75	.9	75	1.5
Leather and luggage.....	46	.3	48	.3	50	.5
Lumber and building materials.....	323	.5	335	.5	341	.7
Music (musical instruments and musical merchandise).....	23	1.5	24	.9	24	1.4
Paint, oil, varnish, and wall paper.....	156	.6	163	.5	165	.9
Paper and paper products.....	264	.3	274	.3	280	.4
Rubber (mechanical rubber goods, belting, hose, and packing).....	30	.8	31	.5	31	.8
Tobacco products.....	92	.4	98	.4	100	.4
Women's wear, millinery, and gloves.....	147	.4	163	.5	172	.8
Miscellaneous.....	1,360	.4	1,410	.4	1,440	.5
Total.....	5,849	.4	6,121	.4	6,275	.6

COLLECTION PERCENTAGES AND TURNOVER OF RECEIVABLES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month; for example, if the balance on accounts receivable on January 1, 1930, was \$5,000,000 and collections during January were \$2,000,000, the collection percentage would be 40 per cent.

The weighted-average collection percentage for 4,104 establishments (sum of outstandings for all establishments divided into the sum of collections for all establishments) was 49.6 per cent in 1929 and 47.2 per cent in 1930.

The collection percentages indicate that the average length of time wholesalers and manufacturers had their dollars tied up in accounts receivable was 60 days in 1929 and 64 days in 1930.

The average length of time that accounts receivable are outstanding, or the turnover of receivables, as it is commonly called, is obtained from the collection percentage by application of the formula

$$\frac{30}{\text{collection percentage}} \times 100.$$

Thus, if the collection percentage is 40 per cent, the turnover of receivables in days is $\frac{30}{40} \times 100$, or 75 days.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$168,384 in 1929 and \$175,342 in 1930.

AVERAGE LENGTH OF TIME WHOLESALE AND MANUFACTURERS' ACCOUNTS RECEIVABLE ARE OUTSTANDING, 1929 AND 1930

Kind of establishment	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Agricultural implements.....	33	25.8	20.5	116	146	\$317,808	\$400,000
Athletic and sporting goods.....	24	38.6	37.9	78	79	213,698	216,438
Automotive supplies, including tires.....	170	63.2	56.3	47	53	128,767	145,205
Books and stationery.....	66	53.4	51.9	56	58	153,424	158,904
Clothing, hats, caps, and gloves (men's wear).....	191	35.2	33.1	85	91	232,576	249,315
Coal and coke.....	59	67.3	63.8	45	47	123,287	128,767
Confectionery (candy and soda-fountain supplies).....	146	57.4	54.2	52	55	142,465	150,684
Drugs and toilet articles and drug sundries.....	114	50.8	47.3	59	63	161,643	172,002
Drug goods and notions.....	91	40.4	37.8	74	79	202,739	216,438
Electrical and radio supplies.....	157	63.6	62.1	47	48	128,767	131,507
Food products.....	517	69.7	58.9	50	51	136,986	139,726
Footwear.....	108	42.7	39.0	70	77	191,781	210,950
Furniture, floor coverings, and household furnishings.....	284	44.8	42.1	67	71	183,562	194,521
Gasoline, lubricating oil, and greases.....	57	71.4	68.5	42	44	115,068	120,548
Hardware and stoves.....	205	44.2	40.2	68	75	186,301	205,479
Heating and plumbing supplies.....	169	49.9	49.2	60	61	164,384	167,123
Jewelry.....	55	30.2	29.1	99	103	271,233	282,102
Leather and luggage.....	33	51.4	51.3	58	58	158,904	158,904
Lumber and building materials.....	240	51.2	49.2	59	61	161,644	167,123
Music (musical instruments and musical merchandise).....	19	29.5	26.9	102	112	279,452	306,849
Paint, oil, varnish, and wall paper.....	125	42.7	37.3	70	80	191,781	219,178
Paper and paper products.....	180	58.6	58.4	51	51	139,726	139,726
Rubber (mechanical rubber goods, such as belting, hose, and packing).....	18	54.5	51.8	55	58	150,685	158,904
Tobacco products.....	54	70.7	68.0	42	44	115,068	120,548
Women's wear, millinery, and gloves.....	106	51.6	51.5	58	58	158,904	158,904
Miscellaneous.....	893	46.1	43.6	65	69	178,082	189,041
Total.....	4,104	49.6	47.2	60	64	164,384	175,342

RETURNS AND ALLOWANCES

Returns and allowances of all establishments reporting on the subject were 3.1 per cent of gross sales in 1928 (5,823 reporting), 3.4 per cent in 1929 (6,065 reporting), and 3.3 per cent in 1930 (6,214 reporting). In 1930 the range was from 0.2 per cent for coal and coke establishments to 9.5 per cent for book and stationery establishments.

RETURNS AND ALLOWANCES OF WHOLESALE AND MANUFACTURING ESTABLISHMENTS, 1928, 1929, AND 1930

[Percentages are weighted averages based on total gross sales]

Kind of business	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Agricultural implements.....	41	3.8	41	3.8	43	4.5
Athletic and sporting goods.....	33	2.8	33	2.5	35	3.3
Automotive supplies, including tires.....	233	4.5	251	4.3	260	5.1
Books and stationery.....	67	7.8	72	7.7	72	9.5
Clothing, hats, caps, and gloves (men's wear).....	237	5.3	247	5.3	253	5.8
Coal and coke.....	85	2	87	2	89	2
Confectionery (candy and soda-fountain supplies).....	221	2.1	230	2.1	239	2.5
Drugs and toilet articles and drug sundries.....	149	2.8	153	3.0	155	3.2
Dry goods and notions.....	117	4.1	124	3.9	128	4.0
Electrical and radio supplies.....	214	5.1	227	5.5	234	6.1
Food products.....	921	1.7	982	1.6	1,015	1.8
Footwear.....	136	4.3	141	4.4	143	4.8
Furniture, floor coverings, and household furnishings.....	348	3.3	352	3.2	356	3.9
Gasoline, lubricating oil, and greases.....	84	6	93	8	101	7
Hardware and stoves.....	244	3.5	247	3.6	248	3.8
Heating and plumbing supplies.....	207	5.5	212	5.3	217	5.3
Jewelry.....	73	6.2	74	7.4	74	9.2
Leather and luggage.....	45	4.2	46	4.6	48	4.7
Lumber and building materials.....	317	2.9	327	3.0	334	3.0
Music (musical instruments and musical merchandise).....	23	4.8	24	5.0	24	5.0
Paint, oil, varnish, and wall paper.....	156	3.5	161	3.6	163	3.9
Paper and paper products.....	261	1.3	269	1.4	275	1.5
Rubber (mechanical rubber goods, such as belting, hose, and packing).....	32	4.8	33	4.4	33	5.3
Tobacco products.....	89	2.8	92	2.7	94	3.2
Women's wear, millinery, and gloves.....	144	7.4	159	7.7	168	8.5
Miscellaneous.....	1,846	3.3	1,888	6.3	1,413	3.6
Total.....	5,823	3.1	6,065	3.4	6,214	3.3

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

A total of 3,478 establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 5.4 per cent of customers attempted to dictate terms. The range was from 1.9 per cent for rubber (mechanical rubber goods, such as belting, hose, and packing) establishments to 14.6 per cent for leather and luggage firms.

A total of 3,161 establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 8 per cent of customers attempted to take unearned discounts. The range was from 2.4 per cent for agricultural-implement establishments to 24.8 per cent for tobacco-products establishments.

PER CENT OF CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
Agricultural implements.....	30	5.4	31	2.4
Athletic and sporting goods.....	21	3.0	21	4.1
Automotive supplies, including tires.....	144	2.8	138	5.2
Books and stationery.....	49	3.4	38	2.7
Clothing, hats, caps, and gloves (men's wear).....	165	5.4	161	9.0
Coal and coke.....	46	2.9	7	7.6
Confectionery (candy and soda-fountain supplies).....	123	8.7	120	15.7
Drugs and toilet articles and drug sundries.....	105	4.5	101	10.9
Dry goods and notions.....	76	4.4	81	7.6
Electrical and radio supplies.....	145	4.0	135	5.0
Food products.....	432	7.2	246	12.8
Footwear.....	88	3.4	86	5.3
Furniture, floor coverings, and household furnishings.....	242	5.0	252	8.2
Gasoline, lubricating oil, and greases.....	48	3.3	42	5.7
Hardware and stoves.....	172	3.1	175	3.3
Heating and plumbing materials.....	148	5.0	151	5.3
Jewelry.....	44	8.1	44	18.0
Leather and luggage.....	23	14.6	27	16.3
Lumber and building materials.....	202	7.1	199	4.9
Music (musical instruments and musical merchandise).....	17	12.4	15	11.9
Paint, oil, varnish, and wall paper.....	98	3.6	101	6.2
Paper and paper products.....	149	3.7	158	7.5
Rubber (mechanical rubber goods, such as belting, hose, and packing).....	16	1.9	16	11.6
Tobacco products.....	43	8.3	44	24.8
Women's wear, millinery, and gloves.....	94	7.6	94	12.7
Miscellaneous.....	758	5.5	678	7.3
Total.....	3,478	5.4	3,161	8.0

LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 315 lumber and building-material establishments selling direct to retailers and reporting for the years 1928, 1929, and 1930 did 97.6 per cent of total business on credit in 1928, 97.7 per cent on credit in 1929, and 97.6 per cent in 1930.

There were 78 of the 315 firms which did 100 per cent credit business. Nineteen of them were wholesale, 48 manufacturing, 2 commission, 8 wholesale and manufacturing houses, and 1 was a wholesale and commission house.

EXTENT OF CREDIT BUSINESS OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	109	91,008	88,757	63,486	-2.5	-28.5	96.2	95.9	95.7	-0.3	-0.2
Manufacturing.....	150	201,025	198,193	167,364	-1.4	-15.6	98.6	98.7	98.8	+1	+1
Wholesale and manufacturing.....	41	113,785	117,731	92,168	+3.5	-21.7	97.3	97.5	96.8	+2	-7
All other.....	15	15,277	13,276	9,286	-13.1	-30.1	94.3	93.7	95.5	-6	+1.9
Total.....	315	421,095	417,957	332,304	-8	-20.5	97.6	97.7	97.6	+1	-1

LOSSES FROM BAD DEBTS

The average bad-debt loss for the lumber and building-material establishments reporting on the subject was 0.5 per cent of total net sales in 1928, 0.5 per cent of net sales in 1929, and 0.7 per cent of net sales in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.6 per cent in 1928, 0.7 per cent in 1929, and 0.9 per cent in 1930. Those classifying themselves as manufacturing had an average of 0.4 per cent in 1928, 0.5 per cent in 1929, and 0.6 per cent in 1930. Those classifying themselves as wholesale and manufacturing had 0.6 per cent in 1928, 0.5 per cent in 1929, and 0.6 per cent in 1930. Those classifying themselves as wholesale and manufacturing had 0.6 per cent in 1928, 0.5 per cent in 1929, and 0.6 per cent in 1930. The "all other" group had an average of 0.8 per cent in 1928, 1.1 per cent in 1929, and 1.6 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that 85 of them had bad-debt losses less than 0.2 per cent. At the other extreme were 30 firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	113	0.6	120	0.7	122	0.9
Manufacturing.....	152	.4	154	.5	156	.6
Wholesale and manufacturing.....	42	.6	44	.5	45	.6
All other.....	16	.8	17	1.1	18	1.6
Total.....	323	.5	335	.5	341	.7

LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	85	13	19	14	12	14	9	4
0.2 to 0.39 per cent.....	50	8	7	9	8	13	3	2
0.4 to 0.59 per cent.....	36	1	8	9	7	7	2	2
0.6 to 0.79 per cent.....	29		8	5	8	5	2	1
0.8 to 0.99 per cent.....	28	1	6	6	6	6	3	
1 to 1.19 per cent.....	19	5	4	4	6			
1.2 to 1.39 per cent.....	15		1	5	3	6		
1.4 to 1.59 per cent.....	16	2	2	4	3	2		
1.6 to 1.79 per cent.....	10	2	3	1	2	2		1
1.8 to 1.99 per cent.....	4		1	2	1	1		
2 to 2.19 per cent.....	3	1		1	1			
2.2 to 2.39 per cent.....	3		2		1			
2.4 to 2.59 per cent.....	5		2		3			
2.6 to 2.79 per cent.....	4	1	2	1				
2.8 to 2.99 per cent.....	4		2	2				
3 per cent and over.....	30	9	10	5	3	3		
Total.....	341	43	77	68	60	62	21	10

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections during that month. The weighted average collection percentage for lumber and building-material establishments was 51.2 per cent in 1929 and 49.2 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding—that is, the average length of time the wholesalers and manufacturers had their dollars tied up in accounts receivable—was 59 days in 1929 and 61 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$161,644 in 1929 and \$167,123 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS, 1929-1930

Classification	Num- ber of estab- lish- ments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	89	50.6	48.3	59	62	\$161,644	\$169,863
Manufacturing.....	103	55.1	54.2	54	55	147,945	150,685
Wholesale and manufacturing.....	35	47.7	45.2	63	66	172,603	180,822
All other.....	13	48.7	44.3	62	68	169,863	186,301
Total.....	240	51.2	49.2	59	61	161,644	167,123

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Num- ber of estab- lish- ments	Year		Sales volume	Num- ber of estab- lish- ments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	24	35.2	27.9	\$2,500,000 to \$4,999,999.....	18	61.2	60.8
\$100,000 to \$249,999.....	59	39.4	36.2	\$5,000,000 and over.....	5	47.6	45.4
\$250,000 to \$499,999.....	52	47.7	45.0				
\$500,000 to \$999,999.....	40	50.1	48.3	Total.....	240	51.2	49.2
\$1,000,000 to \$2,499,999.....	42	51.9	50.2				

RETURNS AND ALLOWANCES

Returns and allowances of lumber and building-material establishments were 2.9 per cent of gross sales in 1928, 3 per cent in 1929, and 3 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 93 firms with less than 0.5 per cent. At the other extreme were 29 firms with 7 per cent or over. The latter firms thus had returns and allowances at least fourteen times as great proportionately as the former.

RETURNS AND ALLOWANCES OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	109	2.5	115	2.6	117	2.8
Manufacturing.....	152	3.2	153	3.1	156	3.0
Wholesale and manufacturing.....	41	2.9	43	3.3	44	3.3
All other.....	15	1.9	16	2.5	17	3.4
Total.....	317	2.9	327	3.0	334	3.0

LUMBER AND BUILDING MATERIAL ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.5 per cent.....	93	17	18	14	15	18	6	5
0.5 to 0.99 per cent.....	47	3	13	14	9	6	1	1
1 to 1.49 per cent.....	49	9	12	10	10	6	1	1
1.5 to 1.99 per cent.....	24	5	3	4	5	3	3	1
2 to 2.49 per cent.....	21	2	6	3	3	6	1	1
2.5 to 2.99 per cent.....	15	4	2	1	3	4	1	1
3 to 3.49 per cent.....	17	1	5	5	1	3	2	1
3.5 to 3.99 per cent.....	7	1	1	3	1	1	1	1
4 to 4.49 per cent.....	7	1	1	3	1	1	2	1
4.5 to 4.99 per cent.....	6	1	1	1	1	1	2	1
5 to 5.49 per cent.....	4	1	2	1	1	1	1	1
5.5 to 5.99 per cent.....	8	1	1	3	2	1	1	1
6 to 6.49 per cent.....	4	1	1	2	1	1	1	1
6.5 to 6.99 per cent.....	3	1	1	1	2	1	1	1
7 per cent and over.....	29	1	8	6	5	9	1	1
Total.....	334	45	74	65	58	61	21	10

CREDIT TERMS

In securing information on credit terms, eight sets of terms in common use among wholesalers and manufacturers were listed on the questionnaire, and the firm was asked to check the set of terms most commonly used. If the set of terms most commonly employed by the firm was not listed, it was asked to specify its terms.

Forty-four lumber and building material establishments or 13 per cent of the total reporting on the subject used "2 per cent 10 days; net 30 days." Forty-three firms, or 12.7 per cent of the total, used "2 per cent tenth prox.; net 30 days." Twenty-four firms, or 7.1 per cent of the total, used "2 per cent 10 days; net 60 days." There were 105 firms, or 31.1 per cent of the total, which used terms other than those listed. There was not much uniformity in the terms of these firms except that on the whole they allowed longer time than 60 days in which to pay.

CREDIT TERMS AND BAD-DEBT LOSSES OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS IN 1930

Set of terms	Estab-lishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	19	5.6	0.3
No cash discount; net 60 days.....	2	.6	.7
1 per cent 10 days; net 30 days.....	7	2.1	.4
1 per cent 10 days; net 60 days.....	1	.3	.3
2 per cent 10 days; net 30 days.....	44	13.0	.8
2 per cent 10 days; net 60 days.....	24	7.1	.8
2 per cent tenth prox.; net 30 days.....	43	12.7	1.7
2 per cent tenth prox.; net 60 days.....	16	4.7	1.3
All other.....	105	31.1	.5
Combination of 2 or more of the above.....	77	22.8	.9
Total.....	338	100.0	.7

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Of the lumber and building-material establishments 202 answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 7.1 per cent of customers attempt to dictate terms.

A total of 198 lumber and building-material establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 4.9 per cent of customers attempt to take unearned discounts.

PER CENT OF CUSTOMERS OF LUMBER AND BUILDING-MATERIAL ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	76	5.7	77	4.9
Manufacturing.....	88	7.1	82	3.7
Wholesale and manufacturing.....	29	11.4	30	8.5
All other.....	9	3.7	10	4.2
SALES VOLUME				
Less than \$100,000.....	22	7.9	18	4.6
\$100,000 to \$249,999.....	44	8.9	45	7.6
\$250,000 to \$499,999.....	44	6.3	45	5.4
\$500,000 to \$999,999.....	34	7.1	36	3.6
\$1,000,000 to \$2,499,999.....	36	6.7	35	3.3
\$2,500,000 to \$4,999,999.....	17	4.8	17	3.2
\$5,000,000 and over.....	5	3.6	3	2.3
Total.....	202	7.1	199	4.9

MUSIC (MUSICAL INSTRUMENTS AND MUSICAL MERCHANDISE) ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 22 music establishments selling direct to retailers and reporting for the years 1928, 1929, and 1930 did 49.9 per cent of total business on credit in 1928, 50.5 per cent on credit in 1929, and 48.1 per cent in 1930.

The wholesale firms (eight reporting) did 96.8 per cent of business on credit in 1928, 97.7 per cent in 1929, and 97.6 per cent in 1930. The manufacturing firms (12 reporting) did 48.5 per cent of business on credit in 1928, 39.3 per cent in 1929, and 39.3 per cent in 1930. The wholeale and manufacturing firms (two reporting) did 21.3 per cent of business on credit in 1928, 22.6 per cent in 1929, and 25.4 per cent in 1930.

There were 4 of the 22 firms which did 100 per cent credit business. One of them was wholesale and two were manufacturing.

EXTENT OF CREDIT BUSINESS OF MUSIC ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages			
		1928	1929	1930	Per cent change	1928	1929	1930	Per cent change
Wholesale.....	8	7,100	7,760	3,926	+9.3	96.8	97.7	97.6	-0.1
Manufacturing.....	12	11,161	10,768	8,578	-3.5	48.5	39.3	39.3	-11.7
Wholesale and manufacturing.....	2	11,754	11,308	5,825	-3.8	21.3	22.6	25.4	+12.4
Total.....	22	30,015	29,836	18,329	-6.6	49.9	50.5	48.1	-4.8

LOSSES FROM BAD DEBTS

The average bad-debt loss of music establishments reporting on the subject was 1.5 per cent of total net sales in 1928, 0.9 per cent in 1929, and 1.4 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were two of them with bad-debt losses less than 0.2 per cent of net sales. At the other extreme were nine firms with 2 per cent or over. The latter firms had credit losses more than ten times as great proportionately as the former.

BAD-DEBT LOSSES OF MUSIC ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	8	1.1	8	1.4	8	1.7
Manufacturing.....	13	3.1	13	1.5	13	2.1
Wholesale and manufacturing.....	2	.1	3	.08	3	.1
Total.....	23	1.5	24	.9	24	1.4

MUSIC ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.2 per cent.....	2				2
0.4 to 0.59 per cent.....	1			1	
0.8 to 0.79 per cent.....	4		1	1	2
0.8 to 0.99 per cent.....	1		1		
1 to 1.19 per cent.....	1				
1.2 to 1.39 per cent.....	2		2		
1.4 to 1.59 per cent.....	2		1	1	
1.8 to 1.99 per cent.....	2		1	1	
2 per cent and over.....	9	1	5	3	
Total.....	24	1	12	7	4

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for music establishments was 29.5 per cent in 1929 and 26.9 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding—that is, the average length of time the wholesalers and manufacturers had their dollars tied up in accounts receivable—was 102 days in 1929 and 112 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$279,452 in 1929 and \$306,849 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF MUSIC ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	6	49.7	42.9	60	70	\$164,384	\$191,781
Manufacturing.....	10	19.7	21.1	152	142	416,438	389,041
Wholesale and manufacturing.....	3	41.8	33.4	72	90	197,260	246,576
Total.....	19	29.5	26.9	102	112	279,452	306,849

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF MUSIC ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year	
		1929	1930
\$100,000 to \$499,999.....	10	14.2	13.7
\$500,000 to \$999,999.....	5	40.7	33.8
\$1,000,000 and over.....	4	38.3	36.1
Total.....	19	29.5	26.9

RETURNS AND ALLOWANCES

Returns and allowances of music (musical instruments and musical merchandise) establishments were 4.8 per cent of gross sales in 1928, 5 per cent in 1929, and 5 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were five firms with less than 2 per cent. At the other extreme were six firms with 10 per cent or over. The latter firms thus had returns and allowances at least five times as great proportionately as the former.

RETURNS AND ALLOWANCES OF MUSIC ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	8	6.4	8	6.4	8	9.5
Manufacturing.....	13	6.8	13	7.1	13	5.4
Wholesale and manufacturing.....	2	1.5	3	1.8	3	1.4
Total.....	23	4.8	24	5.0	24	5.0

MUSIC ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 1 per cent.....	1	1	1	1	3
1 to 1.9 per cent.....	4	1	1	1	1
2 to 2.9 per cent.....	3	2	1	1	1
3 to 3.9 per cent.....	2	1	1	1	1
4 to 4.9 per cent.....	4	1	1	1	1
5 to 5.9 per cent.....	1	1	1	1	1
6 to 6.9 per cent.....	2	1	1	1	1
7 to 7.9 per cent.....	1	1	1	1	1
8 to 8.9 per cent.....	2	1	1	1	1
9 to 9.9 per cent.....	1	1	1	1	1
10 per cent and over.....	6	1	3	2	2
Total.....	24	1	12	7	4

CREDIT TERMS

Six music establishments, or 25 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." Five firms, or 20.8 per cent of the total, used "2 per cent tenth prox.; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF MUSIC ESTABLISHMENTS IN 1930

Set of terms	Estab-lishments using terms most common-ly	Per cent of total establish-ments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	2	8.3	4.5
1 per cent 10 days; net 30 days.....	1	4.2	.6
2 per cent 10 days; net 30 days.....	6	25.0	1.9
2 per cent tenth prox.; net 30 days.....	5	20.8	1.7
2 per cent tenth prox.; net 60 days.....	1	4.2	1.3
All other.....	7	29.2	1.7
Combination of 2 or more of the above.....	2	8.3	1.5
Total.....	24	100.0	1.4

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Seventeen music establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 12.4 per cent of customers attempt to dictate terms. The four establishments with annual sales of \$1,000,000 or over had the high average of 45 per cent.

Fifteen music establishments answered the question "What proportion of your customers attempt to take unearned discounts?" The replies show that 11.9 per cent of customers attempt to take unearned discounts. The four establishments mentioned in the preceding paragraph with annual sales of \$1,000,000 or over had the high average of 37 per cent.

PER CENT OF CUSTOMERS OF MUSIC ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	5	0.4	5	3.0
Manufacturing.....	9	23.0	7	22.7
Wholesale and manufacturing.....	3	.3	3	1.3
SALES VOLUME				
\$100,000 to \$499,999.....	8	3.4	7	2.4
\$500,000 to \$999,999.....	5	.6	4	3.3
\$1,000,000 and over.....	4	45.0	4	37.0
Total.....	17	12.4	15	11.9

PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 155 paint, oil, varnish, and wall-paper establishments selling direct to retailers and reporting for the years 1928, 1929, and 1930 did 92 per cent of total business on credit in 1928, 92.6 per cent in 1929, and 91.8 per cent in 1930.

The wholesale firms (54 reporting) did 79.8 per cent of total business on credit in 1928, 79.2 per cent in 1929, and 77.6 per cent in 1930.

The manufacturing firms (79 reporting) did 94.9 per cent of total business on credit in 1928, 95.7 per cent in 1929, and 95.3 per cent in 1930. The wholesale and manufacturing firms (18 reporting) did 98.3 per cent of total business on credit in 1928, 98.5 per cent in 1929, and 98.4 per cent in 1930. All other establishments (four reporting) did 87.1 per cent of total business on credit in 1928, 87.1 per cent in 1929, and 87.8 per cent in 1930.

There were 30 of the 155 firms which did 100 per cent credit business. Four of them were wholesale, 23 were manufacturing, and 3 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change	1928	1929	1930	1929 over 1928	1930 over 1929	Per cent change
Wholesale.....	54	44,440	45,381	40,756	+2.1	-10.2	79.8	79.2	77.6	-0.8	-2.0
Manufacturing.....	79	139,935	154,267	129,372	+10.2	-16.1	94.9	95.7	95.3	+0.8	-4.4
Wholesale and manufacturing.....	18	22,648	23,198	19,507	+2.4	-15.9	98.3	98.5	98.4	+0.2	-1.1
All other.....	4	1,047	1,061	927	+1.3	-12.7	87.1	87.1	87.8	0.0	+0.8
Total.....	155	208,070	223,907	190,562	+7.6	-14.9	92.0	92.6	91.8	+0.7	-0.9

LOSSES FROM BAD DEBTS

The average bad-debt loss for the paint, oil, varnish, and wall-paper establishments reporting on the subject was 0.6 per cent of total net sales in 1928, 0.5 per cent in 1929, and 0.9 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt-loss percentages for 1930, it was found that there were nine of them with bad-debt losses less than 0.2 per cent. At the other extreme were 16 firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	53	0.4	57	0.4	59	0.5
Manufacturing.....	80	.6	82	.5	82	.9
Wholesale and manufacturing.....	19	.8	20	.7	20	1.8
All other.....	4	.3	4	.4	4	.8
Total.....	156	.6	163	.5	165	.9

PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	9	2	3	1	1	2	
0.2 to 0.39 per cent.....	15	2	4	3	4	2	
0.4 to 0.59 per cent.....	19	3	4	3	2	6	1
0.6 to 0.79 per cent.....	20	4	4	6	4	2	
0.8 to 0.99 per cent.....	14	3	2	5	2	2	2
1 to 1.19 per cent.....	16	1	4	6	4	1	
1.2 to 1.39 per cent.....	9	2	5	2	2		
1.4 to 1.59 per cent.....	9	1	1	2	3	2	
1.6 to 1.79 per cent.....	8	1	3	1	3		
1.8 to 1.99 per cent.....	8	3	3	2	3		
2 to 2.19 per cent.....	6	3	1	2			
2.2 to 2.39 per cent.....	6	1	1	3	1		
2.4 to 2.59 per cent.....	6	1	2	1	2		
2.6 to 2.79 per cent.....	3	2	1				
2.8 to 2.99 per cent.....	1	1					
3 per cent and over.....	16	2	5	2	5	2	
Total.....	165	21	46	35	37	21	5

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for paint, oil, varnish, and wall-paper establishments was 42.7 per cent in 1929 and 37.3 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding—that is, the average length of time wholesalers and manufacturers had their dollars tied up in accounts receivable—was 70 days in 1929 and 80 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$191,781 in 1929 and \$219,178 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	46	38.0	33.6	79	89	\$216,438	\$243,836
Manufacturing.....	62	45.7	40.3	66	74	180,822	202,740
Wholesale and manufacturing.....	15	39.5	33.9	76	88	208,219	241,096
All other.....	2	51.6	50.7	58	59	158,904	161,644
Total.....	125	42.7	37.3	70	80	191,781	219,178

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	15	34.5	33.7	\$1,000,000 to \$4,999,999.....	11	41.5	36.2
\$100,000 to \$249,999.....	39	38.3	34.3	\$5,000,000 and over.....	3	32.7	43.3
\$250,000 to \$499,999.....	24	38.5	36.8				
\$500,000 to \$999,999.....	33	36.8	33.5	Total.....	125	42.7	37.3

RETURNS AND ALLOWANCES

Returns and allowances of paint, oil, varnish, and wall-paper establishments were 3.5 per cent of gross sales in 1928, 3.5 per cent in 1929, and 3.9 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it is found that there were 18 firms with less than 0.5 per cent. At the other extreme were seven firms with 8 per cent or over. The latter firms thus had returns and allowances at least sixteen times as great proportionately as the former.

RETURNS AND ALLOWANCES OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Establishments	Per cent	Establishments	Per cent	Establishments	Per cent
Wholesale.....	64	3.2	57	3.2	59	2.7
Manufacturing.....	80	3.5	81	3.6	81	4.3
Wholesale and manufacturing.....	18	3.7	19	3.2	19	3.9
All other.....	4	2.6	4	3.0	4	3.0
Total.....	156	3.5	161	3.5	163	3.9

PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Less than 0.5 per cent.....	18	3	7	5	-----	3	-----
0.5 to 0.99 per cent.....	16	5	6	2	-----	3	-----
1 to 1.49 per cent.....	12	1	2	5	3	1	-----
1.5 to 1.99 per cent.....	13	2	4	2	-----	5	-----
2 to 2.49 per cent.....	15	3	4	1	5	1	1
2.5 to 2.99 per cent.....	17	1	4	3	5	2	1
3 to 3.49 per cent.....	14	1	3	3	7	1	-----
3.5 to 3.99 per cent.....	8	-----	1	3	3	1	-----
4 to 4.49 per cent.....	8	1	2	1	4	-----	-----
4.5 to 4.99 per cent.....	4	-----	2	1	-----	-----	1
5 to 5.49 per cent.....	7	1	2	3	1	-----	-----
5.5 to 5.99 per cent.....	7	-----	1	1	2	1	2
6 to 6.49 per cent.....	4	-----	4	-----	-----	-----	-----
6.5 to 6.99 per cent.....	4	1	-----	1	1	1	-----
7 to 7.49 per cent.....	6	1	-----	2	2	-----	-----
7.5 to 7.99 per cent.....	3	1	1	-----	-----	1	-----
8 per cent and over.....	7	-----	2	2	3	-----	-----
Total.....	163	21	45	35	36	21	6

CREDIT TERMS

The set of terms used by paint, oil, varnish, and wall-paper establishments more frequently than any other was "2 per cent 10 days; net 60 days." Thirty firms, or 18.6 per cent of the total used this set of terms most commonly. Nineteen firms, or 11.8 per cent of the total, used "2 per cent 10 days; net 30 days." Fifteen firms, or 9.3 per cent of the total, used "1 per cent 10 days; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS IN 1930

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	9	5.6	1.7
One per cent 10 days; net 30 days.....	15	9.3	.5
One per cent 10 days; net 60 days.....	1	.6	4.7
Two per cent 10 days; net 30 days.....	19	11.8	.2
Two per cent 10 days; net 60 days.....	30	18.6	1.0
Two per cent tenth prox.; net 30 days.....	13	8.1	1.2
Two per cent tenth prox.; net 60 days.....	11	6.8	.8
All other.....	12	7.5	.3
Combination of two or more of the above.....	51	31.7	1.1
Total.....	161	100.0	.8

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

A total of 98 paint, oil, varnish, and wall-paper establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 3.6 per cent attempt to dictate terms.

A total of 101 firms answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 6.2 per cent of customers attempt to take unearned discounts.

PER CENT OF CUSTOMERS OF PAINT, OIL, VARNISH, AND WALL-PAPER ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	36	4.0	33	6.9
Manufacturing.....	50	3.8	54	7.1
Wholesale and manufacturing.....	10	1.4	12	1.2
All other.....	2	.5	2	.6
SALES VOLUME				
Less than \$100,000.....	11	2.7	10	.6
\$100,000 to \$249,999.....	31	5.1	29	11.9
\$250,000 to \$499,999.....	19	4.0	21	5.2
\$500,000 to \$999,999.....	27	2.9	31	4.7
\$1,000,000 to \$4,999,999.....	8	.5	8	1.0
\$5,000,000 and over.....	2	2.5	2	6.0
Total.....	98	3.6	101	6.2

PAPER AND PAPER-PRODUCTS ESTABLISHMENTS

EXTENT OF CREDIT

The 257 paper and paper-product establishments selling direct to retailers and reporting for the years 1928, 1929, and 1930 did 98.2 per cent of total business on credit in 1928, 98.2 per cent in 1929, and 98.2 per cent in 1930.

There were 73 of the 257 firms which did 100 per cent credit business. Twenty-six of them were wholesale, 40 were manufacturing, and 7 were wholesale and manufacturing establishments.

EXTENT OF CREDIT BUSINESS OF PAPER AND PAPER-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars			Per cent change		Per cent of total gross sales on credit, in weighted averages			Per cent change	
		1928	1929	1930	1929 over 1928	1930 over 1929	1928	1929	1930	1929 over 1928	1930 over 1929
Wholesale.....	138	121,047	126,282	112,035	+4.3	-11.3	96.8	96.7	96.8	-0.1	+0.1
Manufacturing.....	97	147,352	151,640	134,062	+2.9	-11.6	99.3	99.3	99.3	0	0
Wholesale and manufacturing.....	19	9,696	10,017	9,079	+3.3	-9.4	99.5	99.6	99.6	+1.1	0
All other.....	3	2,546	3,317	5,621	+30.2	+9.2	99.7	99.7	99.7	0	0
Total.....	257	280,641	291,256	258,797	+3.8	-11.2	98.2	98.2	98.2	0	0

LOSSES FROM BAD DEBTS

The average bad-debt loss for the paper and paper-product establishments reporting on the subject was 0.3 per cent of total net sales in 1928, 0.3 per cent in 1929, and 0.4 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt-loss percentages for 1930, it was found that there were 63 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 12 firms with 2 per cent or over. The latter firms thus had credit losses more than ten times as great proportionately as the former.

BAD-DEBT LOSSES OF PAPER AND PAPER-PRODUCT ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	143	0.4	149	0.4	153	0.6
Manufacturing.....	96	.3	102	.3	103	.4
Wholesale and manufacturing.....	19	.3	19	.3	19	.4
All other.....	4	.3	4	.4	5	.6
Total.....	264	.3	274	.3	280	.4

PAPER AND PAPER-PRODUCT ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	63	9	9	9	17	18	1
0.2 to 0.39 per cent.....	56	4	12	15	14	10	1
0.4 to 0.59 per cent.....	57	5	11	8	10	19	4
0.6 to 0.79 per cent.....	31	1	10	9	10	1	—
0.8 to 0.99 per cent.....	22	3	7	4	6	2	—
1.0 to 1.19 per cent.....	14	2	6	3	3	—	—
1.2 to 1.39 per cent.....	8	—	2	3	2	1	—
1.4 to 1.59 per cent.....	6	1	3	—	—	—	—
1.6 to 1.79 per cent.....	6	—	1	3	2	—	—
1.8 to 1.99 per cent.....	5	1	1	2	1	—	—
2.0 per cent and over.....	12	3	3	3	2	1	—
Total.....	280	29	65	59	69	52	6

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for paper and paper-product establishments was 58.6 per cent in 1929 and 58.4 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 51 days in 1929 and 51 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$139,726 in 1929 and the same figure in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF PAPER AND PAPER-PRODUCT ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	110	59.5	57.8	50	52	\$136,986	\$142,466
Manufacturing.....	55	56.7	58.0	53	52	145,205	142,466
Wholesale and manufacturing.....	12	64.2	63.6	47	47	128,767	128,767
All other.....	3	83.6	77.8	36	39	98,630	106,849
Total.....	180	58.6	58.4	51	51	139,726	139,726

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF PAPER AND PAPER-PRODUCT ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	13	54.1	51.8	\$1,000,000 to \$4,999,999.....	35	65.5	63.7
\$100,000 to \$249,999.....	40	60.0	58.8	\$5,000,000 and over.....	2	49.8	52.2
\$250,000 to \$499,999.....	38	55.2	53.2				
\$500,000 to \$999,999.....	52	60.9	60.0	Total.....	180	58.6	58.4

RETURNS AND ALLOWANCES

Returns and allowances of paper and paper-product establishments were 1.3 per cent of gross sales in 1928, 1.4 per cent in 1929, and 1.5 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 33 firms with less than 0.2 per cent. There were 20 firms with 3 per cent or over. The latter firms had returns and allowances at least fifteen times as great proportionately as the former.

RETURNS AND ALLOWANCES OF PAPER AND PAPER-PRODUCT ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	139	1.7	144	1.7	148	1.8
Manufacturing.....	99	.9	102	1.0	103	1.1
Wholesale and manufacturing.....	20	2.3	20	2.1	20	2.2
All other.....	3	1.0	3	1.1	4	1.5
Total.....	261	1.3	269	1.4	275	1.5

PAPER AND PAPER-PRODUCT ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	33	7	12	3	8	3	1
0.2 to 0.39 per cent.....	33	6	7	5	7	7	1
0.4 to 0.59 per cent.....	16	3	4	3	3	2	1
0.6 to 0.79 per cent.....	15	3	2	3	4	2	1
0.8 to 0.99 per cent.....	20	3	7	3	6	1	1
1 to 1.19 per cent.....	21	1	8	6	3	2	1
1.2 to 1.39 per cent.....	18	1	3	6	8	1	1
1.4 to 1.59 per cent.....	14	1	7	1	1	4	1
1.6 to 1.79 per cent.....	13	1	1	5	3	4	1
1.8 to 1.99 per cent.....	14	1	1	5	6	3	1
2 to 2.19 per cent.....	16	1	2	2	0	5	1
2.2 to 2.39 per cent.....	12	2	4	1	1	4	1
2.4 to 2.59 per cent.....	12	1	3	6	2	1	1
2.6 to 2.79 per cent.....	9	1	2	3	2	2	1
2.8 to 2.99 per cent.....	9	1	1	4	1	2	1
3 per cent and over.....	20	2	1	4	6	7	1
Total.....	275	30	64	59	66	50	6

CREDIT TERMS

The set of terms used by paper and paper-product establishments more frequently than any other was "2 per cent 10 days; net 30 days." Sixty-seven firms, or 24 per cent of the total reporting on the subject, used this set of terms. Forty-five firms, or 16.1 per cent of the total, used "2 per cent tenth prox.; net 30 days." Thirty-one firms, or 11.1 per cent of the total, used "1 per cent 10 days; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF PAPER AND PAPER-PRODUCT ESTABLISHMENTS IN 1930

Set of terms	Estab- lishments using terms most common- ly	Per cent of total estab- lish- ments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	11	3.9	0.5
1 per cent 10 days; net 30 days.....	31	11.1	.8
1 per cent 10 days; net 60 days.....	2	.7	.2
2 per cent 10 days; net 30 days.....	67	24.0	.3
2 per cent 10 days; net 60 days.....	3	1.1	.9
2 per cent tenth prox.; net 30 days.....	45	16.1	.6
2 per cent tenth prox.; net 60 days.....	16	5.8	.4
All other.....	45	16.1	.3
Combination of two or more of the above.....	59	21.2	.4
Total.....	279	100.0	.4

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Of the paper and paper-product establishments 149 answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 3.7 per cent attempt to dictate terms.

A total of 158 firms answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 7.5 per cent of customers attempt to take unearned discounts.

PER CENT OF CUSTOMERS OF PAPER AND PAPER-PRODUCT ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic- tate terms		Attempting to take unearned discounts	
	Firms report- ing	Per cent of cus- tomers	Firms report- ing	Per cent of cus- tomers
TYPE OF ESTABLISHMENTS				
Wholesale.....	95	3.2	104	8.2
Manufacturing.....	42	5.3	43	6.7
Wholesale and manufacturing.....	10	3.1	8	3.9
All other.....	2	.5	3	1.0
SALES VOLUME				
Less than \$100,000.....	7	2.4	11	10.7
\$100,000 to \$249,999.....	32	5.6	32	6.6
\$250,000 to \$499,999.....	32	3.3	33	7.4
\$500,000 to \$999,999.....	46	2.7	46	10.0
\$1,000,000 to \$4,999,999.....	31	4.2	35	4.2
\$5,000,000 and over.....	1	1.0	1	1.0
Total.....	149	3.7	158	7.5

RUBBER (MECHANICAL RUBBER GOODS, SUCH AS BELTING, HOSE, AND PACKING) ESTABLISHMENTS

EXTENT OF CREDIT

The 31 rubber establishments reporting for the years 1928, 1929, and 1930 did 99.3 per cent of total business on credit in 1928, 99.3 per cent in 1929, and 98.7 per cent in 1930.

There were 11 of the 31 firms which did 100 per cent credit business; 2 of them were wholesale, 8 were manufacturing, and 1 was a wholesale and manufacturing establishment.

EXTENT OF CREDIT BUSINESS OF RUBBER ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	13	3,960	4,198	3,291	+6.0	-21.6	97.1	97.1	93.5	0	-3.7
Manufacturing.....	11	18,243	18,181	13,126	- .3	-27.8	99.9	99.9	99.9	0	0
Wholesale and manufacturing.....	4	1,913	2,102	1,591	+9.9	-24.3	97.2	97.9	97.8	+7	-.1
All other.....	3	1,392	1,642	1,314	+18.0	-20.0	99.4	99.5	99.4	+1	-.1
Total.....	31	25,508	26,123	19,322	+2.4	-26.0	99.3	99.3	98.7	0	-.6

LOSSES FROM BAD DEBTS

The average bad-debt loss for the rubber establishments reporting on the subject was 0.8 per cent of total net sales in 1928, 0.5 per cent in 1929, and 0.8 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.3 per cent in 1928, 0.3 per cent in 1929, and 0.5 per cent in 1930. Those classifying themselves as manufacturing had 1 per cent in 1928, 0.6 per cent in 1929, and 0.9 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt-loss percentages for 1930, it was found that there were 12 of them with bad-debt losses less than 0.2 per cent. At the other extreme were three firms with 2 per cent or over. The latter firms thus had credit losses more than ten times as great proportionately as the former.

BAD-DEBT LOSSES OF RUBBER ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	13	0.3	13	0.3	13	0.5
Manufacturing.....	10	1.0	10	.6	10	.9
Wholesale and manufacturing.....	4	.4	5	.2	5	1.1
All other.....	3	.2	3	.4	3	.2
Total.....	30	.8	31	.5	31	.8

RUBBER ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.2 per cent.....	12	1	8	2	1
0.2 to 0.39 per cent.....	6	3	3	1	2
0.4 to 0.59 per cent.....	3	1	2	1	1
0.6 to 0.79 per cent.....	3	1	1	1	1
0.8 to 0.99 per cent.....	1	1	1	1	1
1.2 to 1.39 per cent.....	1	1	1	1	1
1.4 to 1.59 per cent.....	1	1	1	1	1
1.6 to 1.79 per cent.....	1	1	1	1	1
2 per cent and over.....	3	1	1	1	1
Total.....	31	2	17	8	4

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for rubber establishments was 54.5 per cent in 1929 and 51.8 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 55 days in 1929 and 58 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$150,685 in 1929 and \$158,904 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF RUBBER ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	8	64.7	62.0	46	48	\$126,027	\$131,507
Manufacturing.....	6	52.9	50.9	57	59	156,164	151,644
Wholesale and manufacturing.....	3	52.9	45.8	57	66	156,164	150,822
All other.....	1	71.7	79.5	42	38	115,068	104,110
Total.....	18	54.5	51.8	55	58	150,685	158,904

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF RUBBER ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year	
		1929	1930
Less than \$100,000.....	1	52.1	63.6
\$100,000 to \$499,999.....	9	63.1	57.2
\$500,000 to \$999,999.....	4	56.2	50.7
\$1,000,000 and over.....	4	52.8	51.2
Total.....	18	54.5	51.8

RETURNS AND ALLOWANCES

Returns and allowances of rubber (mechanical rubber goods, such as belting, hose, and packing) establishments were 4.8 per cent of gross sales in 1928, 4.4 per cent in 1929, and 5.3 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were five firms with less than 0.5 per cent. At the other extreme were four firms with 5 per cent or over.

RETURNS AND ALLOWANCES OF RUBBER ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	14	2.4	14	2.6	14	2.7
Manufacturing.....	11	5.8	11	6.1	11	6.6
Wholesale and manufacturing.....	4	1.9	5	3.0	5	3.3
All other.....	3	2.1	3	2.4	3	2.9
Total.....	32	4.8	33	4.4	33	5.3

RUBBER ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.5 per cent.....	5	1	4		
0.5 to 0.99 per cent.....	2		2		
1 to 1.49 per cent.....	7	1	2	3	1
1.5 to 1.99 per cent.....	3	1	1	1	
2 to 2.49 per cent.....	2		2		
2.5 to 2.99 per cent.....	1				1
3 to 3.49 per cent.....	1		2		1
3.5 to 3.99 per cent.....	1	1			
4 to 4.49 per cent.....	1		1		
4.5 to 4.99 per cent.....	2		2		
5 per cent and over.....	4		1	2	1
Total.....	33	4	17	8	4

CREDIT TERMS

The set of terms used by rubber establishments more frequently than any other was "2 per cent 10 days; net 30 days." Eight firms, or 25.8 per cent of the total reporting on the subject, used this set of terms. Seven firms, or 22.6 per cent of the total, used "2 per cent tenth prox.; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF RUBBER ESTABLISHMENTS IN 1930

Set of terms	Estab-lishments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	1	3.2	1.3
One per cent 10 days; net 30 days.....	1	3.2	.1
Two per cent 10 days; net 30 days.....	8	25.3	.3
Two per cent tenth prox.; net 30 days.....	7	22.6	1.7
Two per cent tenth prox.; net 60 days.....	1	3.2	1.7
Combination of 2 or more of the above.....	13	42.0	.5
Total.....	31	100.0	.8

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Sixteen rubber establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 2 per cent of customers attempt to dictate terms.

Sixteen rubber establishments also answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 11.6 per cent of customers attempt to take unearned discounts.

PER CENT OF CUSTOMERS OF RUBBER ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	6	1.2	6	3.0
Manufacturing.....	6	2.3	6	8.0
Wholesale and manufacturing.....	3	3.3	3	38.3
All other.....	1		1	5.0
SALES VOLUME				
Less than \$100,000.....	1		1	
\$100,000 to \$499,999.....	7	3.0	7	9.6
\$500,000 to \$999,999.....	4	1.8	4	23.0
\$1,000,000 and over.....	4	.8	4	6.8
Total.....	16	2.0	16	11.6

TOBACCO-PRODUCTS ESTABLISHMENTS

EXTENT OF CREDIT

The 89 tobacco-products establishments selling direct to retailers and reporting for the years 1928, 1929, and 1930 did 89.6 per cent of total business on credit in 1928, 88.8 per cent in 1929, and 88 per cent in 1930.

There were 7 of the 89 firms which did 100 per cent credit business. Three of them were wholesale and four were manufacturing establishments.

EXTENT OF CREDIT BUSINESS OF TOBACCO-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change	1928	1929	1930	Per cent change	1929 over 1928	1930 over 1929
Wholesale.....	61	120,766	130,020	122,424	+7.7	89.0	88.0	87.0	-1.1	-1.1	-1.1
Manufacturing.....	22	20,718	22,064	20,698	+6.5	93.3	93.3	93.6	0.0	0.0	+3.3
Wholesale and manufacturing.....	6	2,172	2,283	2,314	+5.1	89.5	89.8	89.4	+3.3	-0.4	-0.4
Total.....	89	143,656	154,367	145,436	+7.5	89.6	88.8	88.0	-0.9	-0.9	-0.9

LOSSES FROM BAD DEBTS

The average bad-debt loss for the tobacco-products establishments reporting on the subject was 0.4 per cent of total net sales in 1928, 0.4 per cent in 1929, and 0.4 per cent in 1930.

In grouping firms according to size of their bad-debt loss percentages for 1930, it was found that there were 14 of them with bad-debt losses less than 0.2 per cent. At the other extreme were four firms with 2 per cent or over. The latter firms had credit losses more than ten times as great proportionately as the former.

BAD-DEBT LOSSES OF TOBACCO-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Establishments	1928	Establishments	1929	Establishments	1930
Wholesale.....	64	0.4	68	0.4	69	0.4
Manufacturing.....	22	.6	24	.5	25	.7
Wholesale and manufacturing.....	6	.6	6	.5	6	.6
Total.....	92	.4	98	.4	100	.4

TOBACCO-PRODUCTS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES

(Credit loss computed by taking the ratio of bad debts to total net sales)

Ratio of loss	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	14	4	3	2	3	1	1
0.2 to 0.39 per cent.....	28	2	7	10	6	1	2
0.4 to 0.59 per cent.....	27	2	7	8	5	3	2
0.6 to 0.79 per cent.....	8	1	1	1	4	1	—
0.8 to 0.99 per cent.....	8	2	1	3	1	1	—
1 to 1.19 per cent.....	6	—	2	1	2	1	—
1.2 to 1.39 per cent.....	4	—	1	1	1	1	—
1.4 to 1.79 per cent.....	1	—	1	—	1	—	—
2 per cent and over.....	4	1	2	1	—	—	—
Total.....	100	12	25	27	22	9	8

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for tobacco-products establishments was 70.7 per cent in 1929 and 68 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding was 42 days in 1929 and 44 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$115,068 in 1929 and \$120,548 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF TOBACCO-PRODUCTS ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	37	74.2	72.0	40	42	\$109,589	\$115,068
Manufacturing.....	15	60.8	57.6	49	52	134,247	142,466
Wholesale and manufacturing.....	2	63.1	77.6	48	39	131,507	106,849
Total.....	54	70.7	68.0	42	44	115,068	120,548

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF TOBACCO-PRODUCTS ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	4	57.5	53.7	\$2,500,000 to \$4,999,999.....	6	68.3	65.1
\$100,000 to \$499,999.....	14	63.7	61.0	\$5,000,000 and over.....	2	80.6	75.2
\$500,000 to \$999,999.....	15	54.0	53.6				
\$1,000,000 to \$2,499,999.....	13	71.4	72.6	Total.....	54	70.7	68.0

RETURNS AND ALLOWANCES

Returns and allowances of tobacco-products establishments were 2.8 per cent of gross sales in 1928, 2.7 per cent in 1929, and 3.2 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 28 firms with less than 0.5 per cent. At the other extreme were 13 firms with 5 per cent or over. The latter firms had returns and allowances at least ten times as great proportionately as the former.

RETURNS AND ALLOWANCES OF TOBACCO-PRODUCTS ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	61	3.0	64	2.9	65	3.3
Manufacturing.....	22	1.9	22	1.8	23	2.6
Wholesale and manufacturing.....	6	2.1	6	1.5	6	1.5
Total.....	89	2.8	92	2.7	94	3.2

TOBACCO-PRODUCTS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.5 per cent.....	28	5	3	10	8	1	1
0.5 to 0.99 per cent.....	11	2	4	1	3	1	1
1 to 1.49 per cent.....	12	1	3	4	2	2	1
1.5 to 1.99 per cent.....	6	1	3	2	1	1	1
2 to 2.49 per cent.....	8	1	2	4	1	1	1
2.5 to 2.99 per cent.....	2	1	2	1	1	1	1
3 to 3.49 per cent.....	6	1	1	2	1	1	1
3.5 to 3.99 per cent.....	7	1	1	1	4	1	1
4 to 4.49 per cent.....	1	1	1	1	1	1	1
4.5 to 4.99 per cent.....	1	1	1	1	1	1	1
5 per cent and over.....	13	1	5	1	2	3	1
Total.....	95	12	24	26	20	8	5

CREDIT TERMS

The set of terms used by tobacco-products establishments more frequently than any other was "2 per cent 10 days; net 30 days." Twenty-two, or 22.7 per cent of the total reporting on the subject, used this set of terms. Twelve firms, or 12.4 per cent of the total, used "2 per cent tenth prox.; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF TOBACCO-PRODUCTS ESTABLISHMENTS IN 1930

Set of terms	Estab- lishments using terms most com- monly	Per cent of total estab- lish- ments	Ratio of bad debts to total net sales
2 per cent 10 days; net 30 days.....	22	22.7	0.5
2 per cent 10 days; net 60 days.....	1	1.0	.5
2 per cent tenth prox.; net 30 days.....	12	12.4	.5
2 per cent tenth prox.; net 60 days.....	4	4.1	.7
All other.....	36	37.1	.4
Combination of 2 or more of the above.....	22	22.7	.4
Total.....	97	100.0	.5

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Of the tobacco-products establishments, 43 answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 8.3 per cent of customers attempt to dictate terms.

Forty-four firms answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 24.8 per cent of customers attempt to take unearned discounts. Of the 25 lines of trade included in this survey, the tobacco-products establishments had the highest percentage.

PER CENT OF CUSTOMERS OF TOBACCO-PRODUCTS ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic- tate terms		Attempting to take unearned discounts	
	Firms re- porting	Per cent of cus- tomers	Firms re- porting	Per cent of cus- tomers
TYPE OF ESTABLISHMENTS				
Wholesale.....	29	11.1	29	27.9
Manufacturing.....	12	2.4	13	15.9
Wholesale and manufacturing.....	2	3.0	2	38.0
SALES VOLUME				
Less than \$100,000.....	4	2.3	4	22.0
\$100,000 to \$499,999.....	11	5.7	12	25.3
\$500,000 to \$999,999.....	11	11.5	12	30.0
\$1,000,000 to \$2,499,999.....	11	13.8	10	32.2
\$2,500,000 to \$4,999,999.....	5	.8	5	3.2
\$5,000,000 and over.....	1	1.0	1	1.0
Total.....	43	8.3	44	24.8

WOMEN'S WEAR, MILLINERY, AND GLOVE ESTABLISHMENTS

EXTENT OF CREDIT

The 141 women's wear, millinery, and glove establishments reporting for the years 1928, 1929, and 1930 did 99.2 per cent of total business on credit in 1928, 99.2 per cent in 1929, and 99.2 per cent in 1930.

There were 69 of the 141 establishments which did 100 per cent credit business. Eight of them were wholesale, 56 were manufacturing, and 5 were wholesale and manufacturing establishments.

EXTENT OF CREDIT BUSINESS OF WOMEN'S-WEAR ESTABLISHMENTS, 1928-1930

Type of business	Num- ber of estab- lish- ments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit in weighted averages			
		1928	1929	1930	Per cent change	1928	1929	1930	Per cent change
Wholesale.....	18	29,476	33,050	20,417	+12.1	-38.2	99.7	99.7	0.0
Manufacturing.....	111	105,701	115,182	103,310	+9.0	-10.3	99.1	99.2	0.0
Wholesale and manu- facturing.....	12	8,026	7,605	6,395	-5.3	-15.9	98.8	97.8	-1.0
Total.....	141	143,203	155,837	130,122	+8.8	-16.5	99.2	99.2	0.0

LOSSES FROM BAD DEBTS

The average bad-debt loss for the women's-wear establishments reporting on the subject was 0.4 per cent of total net sales in 1928, 0.5 per cent in 1929, and 0.8 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 24 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 10 firms with 3 per cent or over. The latter firms had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF WOMEN'S-WEAR ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab- lish- ments	1928	Estab- lish- ments	1929	Estab- lish- ments	1930
Wholesale.....	19	0.4	23	0.4	27	1.0
Manufacturing.....	117	.4	128	.5	130	.7
Wholesale and manufacturing.....	11	1.0	12	1.0	15	1.0
Total.....	147	.4	163	.5	172	.8

WOMEN'S-WEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	24	2	6	6	3	7	-----
0.2 to 0.39 per cent.....	25	1	4	9	4	7	-----
0.4 to 0.59 per cent.....	19	1	1	4	7	4	3
0.6 to 0.79 per cent.....	21	1	1	5	10	3	1
0.8 to 0.99 per cent.....	13	1	2	3	3	5	-----
1 to 1.19 per cent.....	14	2	2	3	5	3	-----
1.2 to 1.39 per cent.....	12	1	3	4	2	2	-----
1.4 to 1.59 per cent.....	5	1	3	1	-----	-----	-----
1.6 to 1.79 per cent.....	3	-----	-----	2	1	-----	-----
1.8 to 1.99 per cent.....	9	2	3	3	1	-----	-----
2 to 2.19 per cent.....	4	-----	-----	-----	1	-----	-----
2.2 to 2.39 per cent.....	8	2	4	2	-----	1	1
2.4 to 2.59 per cent.....	1	-----	1	-----	-----	-----	-----
2.6 to 2.79 per cent.....	4	1	1	1	1	-----	-----
3 per cent and over.....	10	4	3	2	1	-----	-----
Total.....	172	18	34	44	39	32	5

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for women's-wear establishments was 51.6 per cent in 1929 and 51.5 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding was 58 days in 1929 and 58 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$158,904 in 1929 and the same figure in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF WOMEN'S-WEAR ESTABLISHMENTS, 1929 AND 1930

Classification	Estab- lish- ments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	17	35.4	37.3	85	80	\$232,877	\$219,178
Manufacturing.....	80	56.0	54.5	54	55	147,945	150,685
Wholesale and manufacturing.....	9	42.6	45.8	70	66	191,781	180,822
Total.....	106	51.6	51.5	58	58	158,904	158,904

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF WOMEN'S-WEAR ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Num- ber of estab- lish- ments	Year		Sales volume	Num- ber of estab- lish- ments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	11	49.1	49.9	\$1,000,000 to \$4,999,999.....	21	57.6	57.9
\$100,000 to \$249,999.....	20	52.8	51.6	\$5,000,000 and over.....	4	42.7	43.4
\$250,000 to \$499,999.....	21	51.7	49.5	Total.....	106	51.6	51.5
\$500,000 to \$999,999.....	29	54.7	53.0				

RETURNS AND ALLOWANCES

Returns and allowances of women's-wear establishments were 7.4 per cent of gross sales in 1928, 7.7 per cent in 1929, and 8.5 per cent in 1930.

Wholesale establishments had 9.1 per cent in 1928, 8.6 per cent in 1929, and 9.7 per cent in 1930. Manufacturing establishments had 6.5 per cent in 1928, 7 per cent in 1929, and 7.8 per cent in 1930. Establishments doing both wholesale and manufacturing business had 13 per cent in 1928, 14 per cent in 1929, and 13.7 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 23 firms with less than 3 per cent. At the other extreme were 12 firms with 15 per cent or over. The latter firms had returns and allowances at least five times as great proportionately as the former.

RETURNS AND ALLOWANCES OF WOMEN'S-WEAR ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent	Estab- lish- ments	Per cent
Wholesale.....	18	9.1	22	8.6	26	9.7
Manufacturing.....	114	6.5	124	7.0	126	7.8
Wholesale and manufacturing.....	12	13.0	13	14.0	16	13.7
Total.....	144	7.4	159	7.7	168	8.5

WOMEN'S-WEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)					
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Less than 3 per cent.....	23	5	4	10	3	1	
3 to 4.99 per cent.....	29	3	6	6	4	10	
5 to 6.99 per cent.....	31	2	4	10	8	5	2
7 to 8.99 per cent.....	27	2	7	2	6	3	1
9 to 10.99 per cent.....	21	2	7	2	6	3	1
11 to 12.99 per cent.....	16	1	3	5	4	2	
13 to 14.99 per cent.....	9	1	2	2	2	2	
15 per cent and over.....	12	2		2	5	3	
Total.....	168	18	31	43	40	31	5

CREDIT TERMS

A wide variety of terms was employed by women's-wear establishments. The fact that 132 firms, or 76.8 per cent of the total, used terms other than those listed was particularly noticeable. These firms on the whole gave large cash discounts.

CREDIT TERMS AND BAD-DEBT LOSSES OF WOMEN'S-WEAR ESTABLISHMENTS IN 1930

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	6	3.6	0.3
1 per cent 10 days; net 30 days.....	1	.6	.3
1 per cent 10 days; net 60 days.....	2	1.2	.7
2 per cent 10 days; net 30 days.....	3	1.7	.5
2 per cent 10 days; net 60 days.....	3	1.7	1.4
2 per cent tenth prox.; net 30 days.....	3	1.7	.5
2 per cent tenth prox.; net 60 days.....	3	1.7	.8
All other.....	132	76.8	.8
Combination of 2 or more of the above.....	19	11.1	.9
Total.....	172	100.0	.8

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Ninety-four women's-wear establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies were that 7.6 per cent of customers attempt to dictate terms.

Ninety-four firms also answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 12.7 per cent of customers attempt to take unearned discounts.

PER CENT OF CUSTOMERS OF WOMEN'S-WEAR ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	14	14.4	15	13.5
Manufacturing.....	73	5.7	72	12.1
Wholesale and manufacturing.....	7	13.9	7	17.1
SALES VOLUME				
Less than \$100,000.....	7	3.4	9	15.2
\$100,000 to \$249,999.....	19	8.6	18	13.0
\$250,000 to \$499,999.....	19	8.7	19	13.7
\$500,000 to \$999,999.....	27	10.7	27	14.4
\$1,000,000 to \$4,999,999.....	18	2.3	17	5.5
\$5,000,000 and over.....	4	8.0	4	19.3
Total.....	94	7.6	94	12.7

MISCELLANEOUS ESTABLISHMENTS

EXTENT OF CREDIT

The 1,314 miscellaneous establishments reporting for the years 1928, 1929, and 1930 did 93.5 per cent of total business on credit in 1928, 92.1 per cent in 1929, and 91.8 per cent in 1930.

There were 389 of the 1,314 firms which did 100 per cent credit business. Forty-eight of them were wholesale, 287 manufacturing, 5 commission, 45 wholesale and manufacturing, 3 wholesale and commission houses, and 1 was a wholesale, manufacturing, and commission house.

EXTENT OF CREDIT BUSINESS OF MISCELLANEOUS ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change	1928	1929	1930	1928 over 1928	1930 over 1929	1930 over 1928
Wholesale.....	296	276,895	302,280	245,525	+9.2	-18.8	94.6	91.6	91.7	-3.2	+0.1
Manufacturing.....	799	1,244,046	1,369,009	1,138,901	+10.0	-16.8	92.4	91.1	90.8	-1.4	-0.3
Wholesale and manufacturing.....	181	247,079	254,654	198,330	+3.1	-22.1	98.0	98.2	97.8	+0.2	-0.4
All other.....	38	23,687	26,628	21,130	+12.4	-20.7	93.7	93.9	93.8	+0.2	-0.1
Total.....	1,314	1,791,707	1,972,571	1,603,886	+10.1	-18.7	93.5	92.1	91.8	-1.5	-0.3

LOSSES FROM BAD DEBTS

The average bad-debt loss for the group of miscellaneous establishments reporting on the subject was 0.4 per cent of total net sales in 1928, 0.4 per cent in 1929, and 0.5 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 319 of them with less than 0.2 per cent. At the other extreme were 62 firms with 3 per cent or over. The latter firms had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF MISCELLANEOUS ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	304	0.5	315	0.4	323	0.6
Manufacturing.....	829	.4	857	.3	873	.5
Wholesale and manufacturing.....	197	.4	196	.4	200	.6
All other.....	40	.3	42	.4	44	.5
Total.....	1,360	.4	1,410	.4	1,440	.5

MISCELLANEOUS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)									
		Less than \$50,000	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 and over	
Less than 0.2 per cent.....	319	25	22	61	63	57	50	19	15	7	
0.2 to 0.39 per cent.....	267	13	21	43	49	52	42	29	6	12	
0.4 to 0.59 per cent.....	219	8	18	51	50	35	33	15	5	4	
0.6 to 0.79 per cent.....	164	13	11	37	36	32	22	7	5	1	
0.8 to 0.99 per cent.....	100	7	10	25	27	15	10	6			
1 to 1.19 per cent.....	86	8	9	24	19	9	9	3	2	8	
1.2 to 1.39 per cent.....	86	6	5	19	12	8	5				
1.4 to 1.59 per cent.....	42	2	4	13	8	11	1	1	2		
1.6 to 1.79 per cent.....	37	2	5	7	4	11	6	2			
1.8 to 1.99 per cent.....	24	1	4	5	6	3	2		2	1	
2 to 2.19 per cent.....	18	1	5	6	4	1		1			
2.2 to 2.39 per cent.....	14	2	1	5	1	3	2				
2.4 to 2.59 per cent.....	19	4	3	6	2	1			1		
2.6 to 2.79 per cent.....	6	1		3	1	1					
2.8 to 2.99 per cent.....	7	1	3	2		1					
3 per cent and over.....	62	15	9	13	14	6	4		1		
Total.....	1,440	109	130	318	296	245	189	83	40	28	

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for miscellaneous establishments was 46.1 per cent in 1929 and 43.6 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding, was 65 days in 1929 and 69 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$178,082 in 1929 and \$189,041 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF MISCELLANEOUS ESTABLISHMENTS, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	209	50.1	47.8	60	63	\$164,384	\$172,603
Manufacturing.....	532	44.4	41.8	68	72	186,301	197,260
Wholesale and manufacturing.....	130	50.3	47.8	60	63	164,384	172,603
All other.....	22	44.6	44.9	67	67	183,562	183,562
Total.....	893	46.1	43.6	65	69	178,082	189,041

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF MISCELLANEOUS ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$50,000.....	47	45.6	55.9	\$2,500,000 to \$4,999,999.....	47	53.3	47.7
\$50,000 to \$99,999.....	72	38.2	34.3	\$5,000,000 to \$9,999,999.....	32	46.4	47.3
\$100,000 to \$249,999.....	197	49.2	45.5	\$10,000,000 and over.....	22	39.4	38.6
\$250,000 to \$499,999.....	181	44.7	42.5				
\$500,000 to \$999,999.....	168	52.4	47.8	Total.....	893	46.1	43.6
\$1,000,000 to \$2,499,999.....	127	46.8	44.3				

RETURNS AND ALLOWANCES

Returns and allowances of miscellaneous establishments were 3.3 per cent of gross sales in 1928 (1,346 firms reporting), 6.3 per cent in 1929 (1,388 firms reporting), and 3.6 per cent in 1930 (1,413 firms reporting).

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 218 firms with less than 0.2 per cent. At the other extreme were 245 firms with 5 per cent or over. The latter firms had returns and allowances at least twenty-five times as great proportionately as the former.

RETURNS AND ALLOWANCES OF MISCELLANEOUS ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	300	3.1	308	3.1	316	3.3
Manufacturing.....	823	3.2	848	9.7	861	3.5
Wholesale and manufacturing.....	185	4.3	192	4.6	195	4.6
All other.....	38	1.8	29	1.6	41	1.9
Total.....	1,346	3.3	1,388	6.3	1,413	3.6

MISCELLANEOUS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)									
		Less than \$50,000	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 and over	
Less than 0.2 per cent.....	218	33	35	51	38	31	14	10	3	3	
0.2 to 0.39 per cent.....	77	6	9	12	19	9	13	4	2	3	
0.4 to 0.59 per cent.....	63	8	8	23	6	7	4	4	3		
0.6 to 0.79 per cent.....	54	5	7	13	12	6	7	3	1		
0.8 to 0.99 per cent.....	70	10	5	12	10	15	9	6	2	1	
1 to 1.19 per cent.....	75	4	6	20	20	11	12	5	2	1	
1.2 to 1.39 per cent.....	50	4	8	14	9	4	6	2	3	1	
1.4 to 1.59 per cent.....	59	6	6	12	12	7	12	2	2		
1.6 to 1.79 per cent.....	49	2	3	11	16	8	5	2	1	1	
1.8 to 1.99 per cent.....	43	3	2	10	9	7	7	2	2	1	
2 to 2.19 per cent.....	48	3	5	10	15	7	4	2	2		
2.2 to 2.39 per cent.....	35	1	1	9	8	7	4	1	4		
2.4 to 2.59 per cent.....	37	1	1	9	9	11	4	2	2	1	
2.6 to 2.79 per cent.....	29	4	2	8	6	2	6	1	1		
2.8 to 2.99 per cent.....	25	1	5	5	3	5	2	2	2		
3 to 3.19 per cent.....	25	3	2	6	5	3	2	1	1		
3.2 to 3.39 per cent.....	32	4	4	4	9	5	4	1	1	1	
3.4 to 3.59 per cent.....	26	1	3	2	4	10	3	1	1		
3.6 to 3.79 per cent.....	33	3	1	7	9	7	3	2	2	1	
3.8 to 3.99 per cent.....	26	1	1	5	5	9	2	3	3	1	
4 to 4.19 per cent.....	19	2	2	3	6	1	2	4	1		
4.2 to 4.39 per cent.....	21	1	1	5	5	8	1	3	3	1	
4.4 to 4.59 per cent.....	17	1	2	3	4	1	4	3	3		
4.6 to 4.79 per cent.....	25	1	2	6	4	8	2	3	3		
4.8 to 4.99 per cent.....	13	1	1	4	1	4	4	3	3		
5 per cent and over.....	245	14	14	47	45	48	43	18	10	6	
Total.....	1,414	114	132	312	289	241	183	80	39	24	

CREDIT TERMS

The set of terms used more frequently than any other by the miscellaneous firms was "2 per cent 10 days; net 30 days." Two hundred and eighty-six, or 20.1 per cent of the total, used this set of terms.

CREDIT TERMS AND BAD-DEBT LOSSES OF MISCELLANEOUS ESTABLISHMENTS IN 1930

Set of terms	Establishments using terms most common	Per cent of total establishments	Ratio of bad debts to total net sales
No cash discount; net 30 days.....	187	13.1	0.5
No cash discount; net 60 days.....	3	.2	.5
1 per cent 10 days; net 30 days.....	113	7.9	.6
1 per cent 10 days; net 60 days.....	6	.4	.2
2 per cent 10 days; net 30 days.....	286	20.1	.5
2 per cent 10 days; net 60 days.....	39	2.7	.7
2 per cent tenth prox.; net 30 days.....	95	6.7	.5
2 per cent tenth prox.; net 60 days.....	17	1.2	.6
All other.....	288	20.2	.4
Combination of two or more of the above.....	392	27.5	.5
Total.....	1,426	100.0	.5

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

A total of 758 miscellaneous establishments answered the question. "What proportion of your customers attempt to dictate terms?" The replies show that 5.5 per cent of customers attempt to dictate terms.

A total of 678 firms answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 7.3 per cent of customers attempt to take unearned discounts.

PER CENT OF CUSTOMERS OF MISCELLANEOUS ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Simple average of percentages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
TYPE OF ESTABLISHMENTS				
Wholesale.....	173	6.3	164	7.0
Manufacturing.....	466	5.4	405	7.0
Wholesale and manufacturing.....	106	4.7	98	8.8
All other.....	13	4.9	11	11.5
SALES VOLUME				
Less than \$50,000.....	37	5.9	34	11.6
\$50,000 to \$99,999.....	61	9.5	51	14.4
\$100,000 to \$249,999.....	158	4.8	153	9.1
\$250,000 to \$499,999.....	160	4.4	147	5.5
\$500,000 to \$999,999.....	148	7.0	130	6.5
\$1,000,000 to \$2,499,999.....	107	4.1	85	4.4
\$2,500,000 to \$4,999,999.....	40	5.3	40	6.2
\$5,000,000 to \$9,999,999.....	28	5.0	24	5.1
\$10,000,000 and over.....	19	4.7	14	2.8
Total.....	758	5.5	678	7.3

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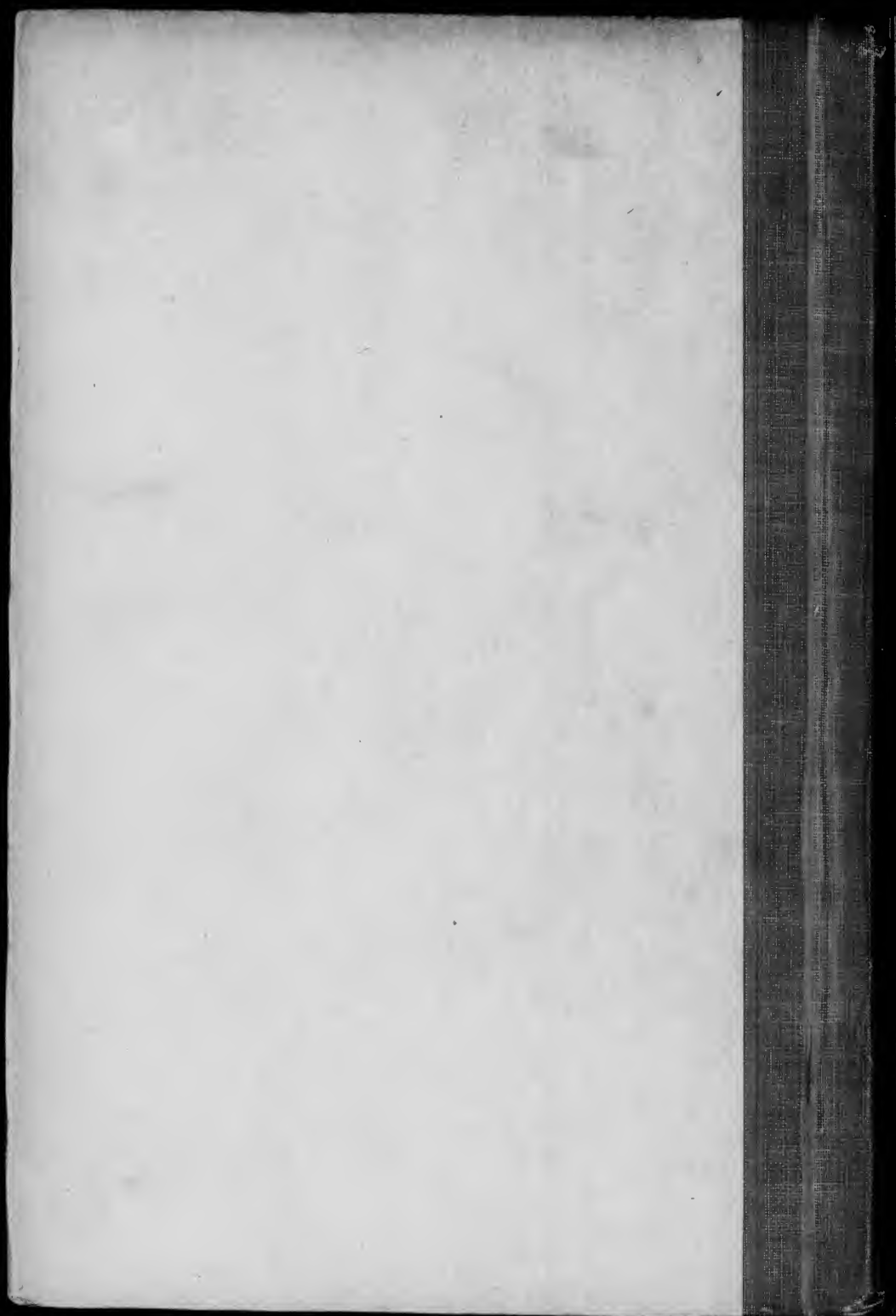
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